

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

SPENCER COUNTY, INDIANA

January 1, 2014 to December 31, 2015



FILED
01/27/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Betty Jane Lynam Autumn Winkler	04-10-12 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Susan Harris	01-01-13 to 12-31-16
Clerk of the Circuit Court	Gay Ann Harney	01-01-13 to 12-31-16
County Sheriff	Kermit Lindsey, Jr. James E. McDurmon	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Sharon Dugas	01-01-13 to 12-31-16
President of the Board of County Commissioners	David J. Gogel Thomas A. Logsdon	01-01-13 to 12-31-15 01-01-16 to 12-31-16
President of the County Council	Jack N. Kroeger William J. Spaetti	01-01-13 to 12-31-14 01-01-15 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SPENCER COUNTY, INDIANA

This report is supplemental to our examination report of Spencer County (County), for the period from January 1, 2014 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Examination Report of the County, which provides our opinion on the County's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 20, 2016

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COUNTY SHERIFF
SPENCER COUNTY

COUNTY SHERIFF
SPENCER COUNTY
EXAMINATION RESULT AND COMMENT

INMATE TRUST RECORDS

The County Sheriff maintained individual inmate records and a control ledger for the inmate trust funds. The individual inmate records were kept as subsidiary detail records to the inmate trust control ledger, the total of all subsidiary records did not agree with the control ledger. At December 31, 2015, the total of the subsidiary records was \$10,972 less than the inmate trust control ledger balance.

Inmate commissary purchases were being deducted from the individual inmate record balances, but the total purchase amounts were not being recorded as a disbursement to the Inmate Trust fund control ledger or as a receipt to the Spencer County Commissary fund on a timely basis.

In addition, the inmate trust fund bank balance did not reconcile with the Inmate Trust fund control ledger. As of December 31, 2015, the bank balance was \$964 less than the ledger balance.

Indiana Code 36-8-10-22 states:

"(a) This section applies to any county that operates a county jail.

(b) The sheriff shall hold in trust separately for each inmate any money received from that inmate or from another person on behalf of that inmate.

(c) If the inmate or his legal guardian requests a disbursement from the inmate's trust fund, the sheriff may make a disbursement for the personal benefit of the inmate, including but not limited to a disbursement to the county jail commissary. . . .

(f) The sheriff shall maintain a record of each trust fund's receipts and disbursements. The State Board of Accounts shall prescribe the form for this record."

In order to comply with these provisions, the sheriff may post the receipts and disbursements through the Sheriff's Cash Book, through the trust column. County Form No. 133 for receipts and County Form No. 141 for disbursements would be used and General Form No. 358 for each individual inmate trust fund. An alternate method would be to use General Form No. 358, Ledger of Receipts, Disbursements and Balances as a control and also for each individual inmate trust fund. The balances from the total individual ledger must be equivalent to the control ledger on any given date. (The County Bulletin and Uniform Compliance Guidelines Volume 377, page 4)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)



OFFICE OF
SPENCER COUNTY SHERIFF

JAMES E. McDURMON

120 North Second Street
Rockport, Indiana 47635
Phone: 812-649-2286
FAX: 812-649-2209

December 27th, 2016

TO: State Board of Accounts (OFFICIAL RESPONSE)

REFERENCE: Audit of Spencer County Sheriff's inmate trust fund account

Dear Sir;

The Sheriff and Jail Commander who maintains the inmate trust accounts have discussed the discrepancy with the auditor who conducted the audit. We agree on the fact that no monies are missing, but that the individual inmate accounts that are kept on our ledger have not been deducted from the bank account until the end of the month. This as agreed, will be deducted twice monthly instead of once a month. In addition, arrangements have been made to obtain the bank balance statement at the end of the month instead of the 15th of each month. This should put the bank balance and the individual inmate trust ledger in agreement.

This should put the Spencer County Inmate Trust Fund in compliance with uniform guidelines. I look forward to working with the State Board of Accounts to keep the Sheriff's Office in good standing with future audits.

A handwritten signature in black ink, appearing to read "James E. McDurmon".

James E McDurmon

Sheriff, Spencer County

COUNTY SHERIFF
SPENCER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2016, with James E. McDurmon, County Sheriff; Thomas A. Logsdon, President of the Board of County Commissioners; David J. Gogel, Commissioner; Jim Seiler, Commissioner; William J. Spaetti, President of the County Council; Jack N. Kroeger, County Council member; Steve Winsett, County Council member; Blake Bunner, County Council member; and Autumn Winkler, County Auditor.