

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

SPECIAL COMPLIANCE REPORT
OF
COUNTY SHERIFF
SULLIVAN COUNTY, INDIANA
January 1, 2013 to December 31, 2014



FILED
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TO: THE OFFICIALS OF SULLIVAN COUNTY, INDIANA

This is a special compliance report for Sullivan County (County), for the period January 1, 2013 to December 31, 2014, and is in addition to any other report for the County as required under Indiana Code 5-11-1. All reports pertaining to the County may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with the Sheriff's Commissary Fund disbursements. The Results and Comments contained herein describe the identified reportable instances 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

August 8, 2018

COUNTY SHERIFF
SULLIVAN COUNTY
RESULTS AND COMMENTS

COMMISSARY FUND EXPENSES

The Sheriff's Commissary Fund was used to purchase promotional items, event tickets, gift cards, sponsorships, flowers, meals, golf outing fees, and hotels totaling \$23,145 during 2013 and 2014. There was not enough evidence to validate the above mentioned items met the criteria for uses in Indiana Code 36-8-10-21. There was no policy presented governing the use of commissary funds in addition to Indiana Code 36-8-10-21 and there was no County Council approval of the above mentioned items.

Indiana Code 36-8-10-21(d) states:

"The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;
- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;

COUNTY SHERIFF
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RESULTS AND COMMENTS
(Continued)

- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under IC 36-2-13-5.5; or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff."

Money disbursed from the fund under this subsection must be supplemental or in addition to, rather than a replacement for, regular appropriations made to carry out the purposes listed in subdivisions (1) through (8)."

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

INTERNAL CONTROLS

Internal controls over the disbursements from the Sheriff Commissary Fund were not properly designed or implemented. As a result, disbursements were made from the Commissary fund without enough evidence that the expenses met the criteria for uses in Indiana Code 36-8-10-21.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

COUNTY SHERIFF
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2018, with Clark Cottom, County Sheriff; Jason Bobbitt, Chief Deputy County Sheriff; Diana Ross, County Auditor; Duane Wampler, President of the County Council.

In a separate exit conference, the contents of this report were discussed on August 8, 2018, with Robert A. Davis, President of the Board of County Commissioners.

The contents of this report were discussed via phone on August 21, 2018, with Bryan L. Kinnett, former County Sheriff.