

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

GRANT COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED
10/19/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	James E. McWhirt	01-01-20 to 12-31-21
County Treasurer	Tiffany N. Griffith	01-01-20 to 12-31-21
Clerk of the Circuit Court	Pamela K. Harris	01-01-20 to 12-31-21
County Sheriff	Reggial E. Nevels, Sr.	01-01-20 to 12-31-21
County Recorder	Kathy Foy	01-01-20 to 12-31-21
President of the Board of County Commissioners	Mark Bardsley	01-01-20 to 12-31-21
President of the County Council	Shane Middlesworth	01-01-20 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF GRANT COUNTY, INDIANA

This report is supplemental to our audit report of Grant County (County), for the period from January 1, 2020 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions 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 Audit 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 Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

September 29, 2021

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COUNTY AUDITOR
GRANT COUNTY

COUNTY AUDITOR
GRANT COUNTY
AUDIT RESULT AND COMMENT

MOTOR VEHICLE HIGHWAY - RESTRICTED DISBURSEMENTS

Condition and Context

MVH Restricted fund disbursements tested revealed that payroll was paid for time worked by certain employees during April through September on various activities that did not qualify as Motor Vehicle Highway - Restricted disbursements. Also, a row crop tractor and an aerial device bucket truck were purchased. These payroll tasks and equipment were not precisely for the construction, reconstruction, or preservation of public roadways.

Criteria

Indiana Code 8-14-1-4(b) states: "For funds distributed to a county from the motor vehicle highway account, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county's highways."

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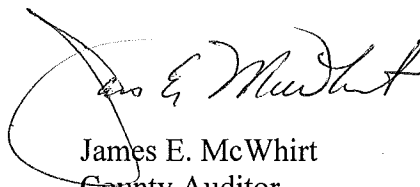
OFFICIAL RESPONSE

The following is my response to the Audit Results and Comments pertaining to the Grant County Auditor's Office for the audit period January 1, 2020 through December 31, 2020.

MOTOR VEHICLE HIGHWAY – RESTRICTED DISBURSEMENTS

The auditor's office processes the payroll for the county highway department employees utilizing the information submitted by that department. The information does not include a description of the nature of the hours worked for those employees. We rely upon the reasonable assumption that the highway department submits its information in a manner that complies with the permitted purposes of the MVH Fund (#1176) and the MVH – Restricted Fund (#1173). While there are instances of hours worked from April through September paid from the MVH – Restricted Fund (Fund #1173) that should have been paid from the MVH Fund (#1176), I would contend that there are hours worked from October through March that were paid from the MVH Fund (#1176) that could have been paid from the MVH – Restricted Fund (#1173). I believe Mr. David White, Highway Department Superintendent, attempts to comply in a reasonable manner with the statutory expectations while keeping the payroll process as simple as possible with the understanding that impact of those variances will counter-balance over the course of a calendar year.

Equipment used to mow grass and to trim trees that border and overhang the county's roads was purchased using the MVH – Restricted Fund (#1173). There is language that states that costs incurred for the routine activities of cutting grass and tree trimming are not considered construction, reconstruction, and preservation; therefore, not eligible to be paid from the MVH – Restricted Fund (#1173). However, it is relevant to note that there is also language that states that costs incurred for vegetation control for infrastructure preservation purposes may be paid from the MVH – Restricted Fund. That language does leave room for interpretation. I have discussed this matter with Mr. David White, Highway Department Superintendent. While he believes that the costs in question are a form of preserving the roadways, he has agreed that future costs incurred for these purposes will not be paid from the MVH – Restricted Fund (#1173).



James E. McWhirt
County Auditor
Grant County, Indiana
Wednesday, September 29, 2021

COUNTY AUDITOR
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2021, with James E. McWhirt, County Auditor; Angela Jarvis, Chief Deputy County Auditor; Mark Bardsley, President of the Board of County Commissioners; Shane Middlesworth, President of the County Council; and Mike Roorbach, County Council member.

COUNTY TREASURER
GRANT COUNTY

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER CASH AND RECEIPTS

Condition and Context

Adequate internal controls were not in place over cash and receipts of the County Treasurer's department.

Cash

A review process was in place for the bank reconciliations; however, it was not effective. Bank reconciliations were performed monthly, but contained numerous errors and the reconciliations did not reconcile to the County Auditor's Fund Ledger.

Receipts

Internal controls over receipts were not adequate. Several errors in recording receipts occurred during the audit period and were not identified and corrected.

Criteria

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. . . ."

BANK ACCOUNT RECONCILIATIONS

A similar comment also appeared in prior audit Reports B53451, entitled *BANK ACCOUNT RECONCILIATIONS*; and B55876, entitled *BANK ACCOUNT RECONCILIATIONS AND MONTHLY FINANCIAL REPORTS*.

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Condition and Context

Depository reconciliations of the fund balances to the bank account balances were attempted, but were not considered complete for any month during the audit period because each contained unidentified reconciling items. The bank reconciliations provided for audit did not reconcile and contained numerous errors. Additional work performed by the Indiana State Board of Accounts indicated a cash short when comparing the County's reconciled bank balances to the financial statement balance at the end of the audit period. Based on audit work performed, the difference between the adjusted bank balance and the County Auditor's Fund Ledger indicated a cash short of \$32,377 at December 31, 2020, which was determined to be immaterial to the financial statement as a whole. The December 31, 2020 bank reconciliation contained various confirmed reconciling items that were dated as old as 2012.

In addition, the outstanding check list included stale dated checks that were over two years old as of December 31, 2020, totaling \$93,409. These checks were written in 2017 from a bank account that was closed on October 17, 2019.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULTS AND COMMENTS

Indiana Code 5-11-10.5-5 states in part:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision. . . ."

RECEIPT ERRORS

Condition and Context

The following errors were identified in the test of State Distribution receipts:

1. Two receipts were not recorded in the County Treasurer's Cash Book, one for ADMOP-Property Tax for \$8,117 and one for Watercraft Excise for \$10,008.
2. A Motor Vehicle Tax Replacement receipt was recorded in the County Treasurer's Cash Book for \$1,850 more than the actual distribution.
3. A Motor Vehicle Tax Replacement distribution on December 23, 2020, of \$146,807 was not recorded to the County Treasurer's Cash Book until January 7, 2021.

Criteria

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

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

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

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OFFICIAL RESPONSE

Date: September 30, 2021

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Official Response to Audit - 2020

Please accept this correspondence as my official response to the Audit Results and Comments included in the audit for the year ending December 31, 2020.

As Treasurer, I concur with the Audit Results and Comments included in this report. I fully accept the responsibilities of my office. We have identified weaknesses and continue to be diligent in finding resolutions within our procedures that are effective and efficient.

Upon discussing the deficiencies with State Board, we are implementing proactive changes within the office to remedy any future issues.

I appreciate the manner in which the field examiners of the Indiana State Board of Accounts brought such items to our attention. Along with their guidance and support they gave, our office can continue on a path of positive corrective action with effective, efficient, transparent, and accurate results.

I continue to be fully committed to fulfilling the responsibilities of the office of Grant County Treasurer in the prescribed manner.

Thank you,



Tiffany N. Griffith
Grant County Treasurer

COUNTY TREASURER
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2021, with Tiffany N. Griffith, County Treasurer; James E. McWhirt, County Auditor; Angela Jarvis, Chief Deputy County Auditor; Mark Bardsley, President of the Board of County Commissioners; Shane Middlesworth, President of the County Council; and Mike Roorbach, County Council member.

CLERK OF THE CIRCUIT COURT
GRANT COUNTY

CLERK OF THE CIRCUIT COURT
GRANT COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

Internal controls over the recording, reconciling, and reporting of the financial transactions of the Clerk of the Circuit Court (Clerk) funds were deficient. As a result of the internal control deficiencies, errors could have occurred and remained undetected.

Cash

Bank reconciliations were performed monthly by the Deputy Clerk. A copy of the bank reconciliation was given to the Clerk every month. It was signed by the Clerk; however, it was not reviewed by the Clerk or someone other than the preparer.

Receipts

Internal controls over Trust and Support receipts were not implemented. Multiple duties such as receipting and depositing were performed without appropriate oversight and review by a second employee. Receipt documentation and reports were retained, but no evidence of review was presented.

Disbursements

Internal controls over Trust and Support disbursements were not implemented. Multiple duties such as posting and creating checks were performed without appropriate oversight and review by a second employee. Disbursement documentation and reports were retained, but no evidence of review was presented.

Criteria

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. . . ."

CLERK OF THE CIRCUIT COURT
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2021, with Pamela K. Harris, Clerk of the Circuit Court; James E. McWhirt, County Auditor; Angela Jarvis, Chief Deputy County Auditor; Mark Bardsley, President of the Board of County Commissioners; Shane Middlesworth, President of the County Council; and Mike Roorbach, County Council member.

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COUNTY SHERIFF
GRANT COUNTY

COUNTY SHERIFF
GRANT COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS - SHERIFF INMATE TRUST AND SHERIFF COMMISSARY

A similar comment also appeared in prior Reports B53451, entitled *INTERNAL CONTROLS - INMATE TRUST AND SHERIFF COMMISSARY*; and B55876, entitled *INTERNAL CONTROLS - SHERIFF INMATE TRUST AND SHERIFF COMMISSARY*.

Condition and Context

Internal controls over the recording, reconciling, and reporting of the financial transactions of the Sheriff Inmate Trust and Sheriff Commissary funds were deficient. As a result of the internal control deficiencies, errors remained undetected.

Cash

Bank reconciliations were performed monthly by the Sheriff Matron. All of the bank reconciliations tested were reviewed by someone other than the preparer; however, every monthly bank reconciliation for the Sheriff Inmate Trust and Sheriff Commissary funds was incorrect during the audit period. Each monthly reconciliation included deposits in transit that had already been deposited in the financial institution and were not deposits in transit. Cash change funds were not accounted for in the bank reconciliations, nor in the Sheriff Inmate Trust and Sheriff Commissary funds.

In 2021, a separate employee re-entered the 2020 Commissary ledger on a different book-keeping system, addressed some reconciling items, and reperformed each monthly bank reconciliation, which resulted in the agreement of the Commissary ledger and bank reconciliation at December 31, 2020. An old Sheriff Inmate Trust bank account was closed in January 2021, and it was not accounted for in the reconciliation, nor in the ledger. Stale dated checks were included in the reconciliations of the Sheriff Inmate Trust and should have been voided after two years.

Disbursements

Internal controls over all disbursements from the Sheriff Inmate Trust and Sheriff Commissary were designed, implemented, and required two signatures; however, they were ineffective due to the number of errors and condition of records.

Financial Close and Reporting

Internal controls over the Supplemental Annual Financial Report for Sheriff Commissary, Sheriff Inmate Trust, Sheriff Cash Book, and JEAN Team were in place; however, the internal controls were not effective for the Sheriff Commissary and Sheriff Inmate Trust. The condition of Inmate Trust records and lack of maintaining a year-to-date ledger report contributed to the deficiency.

COUNTY SHERIFF
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

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:

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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. . . ."

CONDITION OF RECORDS

A similar comment also appeared in prior Reports B53451, entitled *CONDITION OF RECORDS - INMATE TRUST AND SHERIFF COMMISSARY*; and B55876, entitled *CONDITION OF RECORDS*.

Condition and Context

The County Sheriff's department was unable to provide a detailed ledger of receipts, disbursements, and balances from January 1, 2019 to December 31, 2019, to support the cash balances reported for the Sheriff Inmate Trust funds. Monthly activity reports were provided; however, it was proven in the prior audit, the reports were printed before adjustments and/or voided transactions were recorded in subsequent months. During the course of the prior audit, it was determined that the monthly reports provided for audit were not the most current reports and were inaccurate due to untimely recordkeeping and backdating transactions within the inmate trust accounting systems. Upon abstracting the monthly receipts, disbursements, and balances of the Sheriff Inmate Trust reports for 2020, the calculated December 31, 2020 balance did not agree with the ending balance per the reports.

The County Sheriff's department had an old bank account with a balance of \$6,205 at December 31, 2019, that was not included in the financial records or reported in the Sheriff Inmate Trust or Sheriff Commissary fund cash balances. This bank account included \$4,066 of old, uncleared checks written to inmates, and \$2,139 of Sheriff Commissary money. During 2020, \$1,005 was disbursed back to prior inmates and \$805 was remitted to the Indiana Attorney General's Unclaimed Funds, leaving \$4,395 at December 31, 2020, that was not included in the financial records or reported in the Sheriff Inmate Trust or Sheriff Commissary fund cash balances. In January 2021, the entire remaining balance of \$4,395 was transferred to the Commissary fund.

COUNTY SHERIFF
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

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

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

SHERIFF INMATE TRUST FUND SOURCES AND USES

A similar comment also appeared in prior Report B55876, entitled *SHERIFF INMATE TRUST FUND SOURCES AND USES*.

Condition and Context

The Sheriff Inmate Trust fund contained money that should not be reported in the Sheriff Inmate Trust fund. The Detainee Balances report provided for audit showed a balance of \$14,848 at December 31, 2020, which reflects monies held in each inmate account. The reconciliation report for December 31, 2020, shows additional amounts totaling \$133,925, that were not inmate monies. These additional amounts included receipts from kiosk fees, Securus phone time, and bulk sales that have been accumulating in the inmate trust financial software ledger. These monies should not be retained in the Sheriff Inmate Trust fund, but should be transferred to the Sheriff Commissary fund.

Additionally, Sheriff Commissary online sales were made through a third-party commissary web service, which distributed profits to the County Sheriff's department on a monthly basis. During 2020, receipts totaling \$153,219 were improperly directly deposited into the Sheriff's bank account specifically designated for the Inmate Trust, and then improperly recorded in the Sheriff Inmate Trust fund. That was an improper source of funds into the Sheriff Inmate Trust fund. Within the audit period, the Sheriff Matron disbursed a portion of the profits from Sheriff Inmate Trust to Sheriff Commissary, and these profits were then a proper source for the Sheriff Commissary fund. At December 31, 2020, \$89,931 of profits remained in the Sheriff Inmate Trust fund. These monies should not be retained in the Sheriff Inmate Trust fund, but should be transferred to the Sheriff Commissary fund.

Criteria

Indiana Code 36-8-10-22 states in part:

- "(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.

COUNTY SHERIFF
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (c) If the inmate or the inmate's 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. . . ."

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

BANK ACCOUNT RECONCILIATIONS - SHERIFF INMATE TRUST AND SHERIFF COMMISSARY

A similar comment also appeared in prior Reports B53451, entitled *BANK ACCOUNT RECONCILIATIONS - INMATE TRUST AND SHERIFF COMMISSARY*; and B55876, entitled *BANK ACCOUNT RECONCILIATIONS - SHERIFF INMATE TRUST AND SHERIFF COMMISSARY*.

Condition and Context

The County Sheriff's department performed monthly reconcilements for the Sheriff Inmate Trust and Sheriff Commissary ledgers to their respective depositories; however, the reconcilements included the following errors:

- The Sheriff Inmate Trust reconciliation did not include all bank account balances. An old checking account was omitted from the reconciliation. During 2017, the County Sheriff changed the accounting software for Sheriff Inmate Trust. As a result, a new checking account was opened. The old checking account remained open, but was not actively used. At December 31, 2019, the old checking account had a balance of \$6,205. Per a prior audit comment, \$4,066 of the \$6,205 was supposed to have been remitted to the Indiana Attorney General's Unclaimed Funds. As of December 31, 2019, this amount had not been remitted. The remaining funds in this account were supposed to have been transferred to the Sheriff Commissary fund. As of December 31, 2019, the remaining amount of \$2,139 had not been transferred. During 2020, \$1,005 was disbursed back to prior inmates and only \$805 was remitted to the Indiana Attorney General's Unclaimed Funds leaving a balance of \$4,395 that was not included in the bank reconciliation at December 31, 2020. In January 2021, the entire remaining balance of \$4,395 was transferred to the Sheriff Commissary fund.
- There were erroneous deposits in transit documented as reconciling items on the Sheriff Inmate Trust bank reconcilements in the amount of \$8,682. Some of the deposit in transit items were proven to be cleared in prior years, and others could not be verified as cleared and remained on the bank reconciliation at December 31, 2020. The County's ledger system company reviewed two of these deposits in transit and determined they needed to be removed. Supporting documentation for these items also could not be provided.
- Cash change was not accounted for in the bank reconciliation or the ledger balance for the Sheriff Inmate Trust and Sheriff Commissary.

COUNTY SHERIFF
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

CREDIT CARDS

A similar comment also appeared in prior Report B55876, entitled *CREDIT CARDS*.

Condition and Context

The County Sheriff's department (Department) used commissary funds to pay for credit cards without having adequate supporting documentation to support the disbursements. We selected two credit card payments for testing, which totaled \$9,801. The Department was able to provide supporting documentation for \$7,130 out of the \$9,801, which left \$2,671 of credit card disbursements unable to be substantiated and included the following:

- A transaction on December 15, 2020, in the amount of \$6,039. Credit card statement and receipts were provided to support \$3,368 of the total disbursement; however, receipts totaling \$2,671 were not provided for audit. This included purchases from Delta Airlines in the amounts of \$391 and \$30, nine purchases from multiple gas stations, restaurants, and miscellaneous stores totaling \$154, and three purchases from Amazon totaling \$2,096.

The Department did not follow the current Grant County Policy Authorizing the Issuance and Use of Credit Cards that was adopted by the Grant County Board of County Commissioners on October 2, 2017. The Department does not have their own commissary credit card policy approved by the fiscal body; therefore, the department should have followed the county policy adopted for elected officials and/or employees.

Criteria

The SBOA will not take exception to the use of credit cards by a unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance/resolution, which has been approved in a meeting and documented in the minutes.
2. Issuance and use should be handled by an official or employee designated by the governing body.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.

COUNTY SHERIFF
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

4. When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the responsible person.
5. The designated responsible official or employee must maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned.
6. Credit cards must not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing body and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment cannot be made on the basis of a statement or a credit card slip only. Procedures for payments must be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee may be the personal obligation of the responsible officer or employee.
8. If authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts.
(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

SUPPORTING DOCUMENTATION

A similar comment also appeared in prior Reports B53451 and B55876, entitled *SUPPORTING DOCUMENTATION*.

Condition and Context

The County Sheriff's department did not provide sufficient supporting documentation to verify the accuracy and validity for all receipts and disbursements selected for testing as follows:

- Supporting documentation for 3 out of 28 Sheriff Inmate Trust receipts selected for testing was not provided for audit. These receipts were from Tiger Administration. In addition, the 3 receipts could not be verified to deposits.
- Supporting documentation for 4 out of 13 Sheriff Commissary receipts selected for testing was not provided for audit. Of the 4 receipts, 1 was for a reimbursement from the County for multiple purchases made from the Sheriff Commissary fund. Several of the receipts for the multiple purchases were missing or were not readable.
- Supporting documentation for 5 out of 29 Sheriff Inmate Trust disbursements selected for testing was not provided for audit.
- Supporting documentation for 1 out of 9 Sheriff Commissary disbursements selected for testing was not provided for audit. This was made up of multiple invoices paid on 1 disbursement.

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(Continued)

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

STALE DATED OUTSTANDING CHECKS (WARRANTS)

A similar comment also appeared in prior Report B55876, entitled *STALE DATED OUTSTANDING CHECKS (WARRANTS)*.

Condition and Context

The County Sheriff's department had stale dated outstanding checks over two years old from the Sheriff Inmate Trust in the bank reconciliation as of December 31, 2020, totaling \$2,143. Funds from stale dated Sheriff Inmate Trust checks should be remitted to the Indiana Attorney General's Office Unclaimed Property Division, as required by statute.

Criteria

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

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(Continued)

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision. . . ."

Indiana Code 32-34-1-20(c) states in part:

"Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . .

- (7) For property held by a state or other government, governmental subdivision or agency, or public corporation or other public authority, one (1) year after the property becomes distributable. . . ."

**SUPPLEMENTAL ANNUAL FINANCIAL REPORT - SHERIFF
INMATE TRUST AND SHERIFF COMMISSARY**

A similar comment also appeared in prior Reports B53451, entitled *CONDITION OF RECORDS - INMATE TRUST AND SHERIFF COMMISSARY*; and B55876, entitled *SUPPLEMENTAL ANNUAL FINANCIAL REPORT - SHERIFF INMATE TRUST AND SHERIFF COMMISSARY*.

Condition and Context

The 2020 Supplemental Annual Financial Reports for the Sheriff Inmate Trust and Sheriff Commissary funds did not reflect the activity of the funds. Audit adjustments were proposed and approved by management to report the correct amount in the financial statement.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

COUNTY SHERIFF
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2021, with Reggial E. Nevels, Sr., County Sheriff; Rogina Banks, Sheriff Matron; Valisha Cragun, Intel Analyst; James E. McWhirt, County Auditor; Angela Jarvis, Chief Deputy County Auditor; Mark Bardsley, President of the Board of County Commissioners; Shane Middlesworth, President of the County Council; and Mike Roorbach, County Council member.