

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

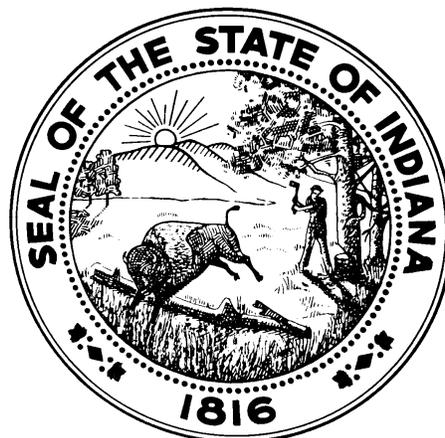
AUDIT REPORT

OF

COUNTY SHERIFF

KNOX COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

12/19/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Stephen P. Luce	01-01-03 to 12-31-10
President of the County Council	Robert Lechner	01-01-06 to 12-31-07
President of the Board of County Commissioners	James W. Bobe James Parish	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF KNOX COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2006 to December 31, 2006, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Knox County for the year 2006.

STATE BOARD OF ACCOUNTS

November 14, 2007

COUNTY SHERIFF
KNOX COUNTY
AUDIT RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated cash necessary to balance of \$3,154.23.

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, Chapter 1)

RECEIPTS NOT DEPOSITED

A receipt for a \$2,819 cash bond was not deposited in November 2006. According to the Indiana State Police Report, Kelly Roberts, former Sheriff's Department employee, collected \$2,819 cash from an inmate to be used as cash bond. This money was placed in an envelope and put in a desk drawer belonging to Vickie Drieman, a Sheriff's Department employee. The envelope was later found to be missing and the cash was never deposited.

As a result of the above, there was a cash short of \$2,819 in the depository at December 31, 2006.

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . who collect public funds . . . shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

Kelly Roberts, former Sheriff's Department employee, was requested by phone to pay the amount shown in the summary of charges to the Knox County Sheriff's Department. (See Summary, page 7)

COUNTY SHERIFF
KNOX COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS

Controls for receipts generated by the Sheriff's Department are insufficient. A cash receipt was not deposited in November 2006.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

PUBLIC RECORDS RETENTION

Sheriff Pension records were not presented for audit.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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, Chapter 1)

INSURANCE POLICY

Knox County was insured by EMC Insurance Companies with a government crime policy which covered employee theft for the period October 1, 2006 to October 1, 2007.

COUNTY SHERIFF
KNOX COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 14, 2007, with James Parish, President of the Board of County Commissioners; and Robert Lechner, President of the County Council.

The contents of this report were discussed on November 14, 2007, with Stephen P. Luce, Sheriff.

Kelley Roberts, former Sheriff's Department employee, was invited to the exit conference but chose not to attend.

COUNTY SHERIFF
KNOX COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Kelly Roberts, former Sheriff's Department employee: Receipts Not Deposited, page 4	<u>\$ 2,819</u>	<u>\$ -</u>	<u>\$ 2,819</u>

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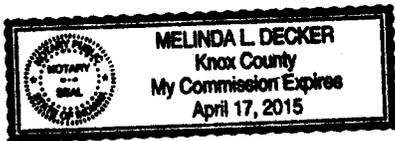
AFFIDAVIT

STATE OF INDIANA)
Knox COUNTY)

We, Sara Bellamy and Dawn Kasemeier, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the County Sheriff, Knox County, Indiana, for the period from January 1, 2006 to December 31, 2006, is true and correct to the best of our knowledge and belief.

Sara Bellamy
Dawn Kasemeier
Field Examiners

Subscribed and sworn to before me this 10th day of December, 2007.



Melinda Decker
Notary Public

My Commission Expires: April 17, 2015

County of Residence: Knox