

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

EXAMINATION REPORT

OF

COUNTY SHERIFF

KNOX COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED
12/16/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Stephen P. Luce	01-01-07 to 12-31-10
President of the County Council	Robert Lechner Timothy Ellerman	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	James Parish Fred Thompson	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF KNOX COUNTY

We have examined the records of the County Sheriff for the period from January 1, 2007 to December 31, 2007, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Knox County for the year 2007.

STATE BOARD OF ACCOUNTS

November 5, 2008

COUNTY SHERIFF
KNOX COUNTY
EXAMINATION RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated cash necessary to balance of \$1,917.47.

This comment has appeared in prior reports.

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)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were cited during our period of examination:

- (1) Record balances were not correctly reconciled to depository balances during the current examination period for the Sheriff's cash book.

Indiana Code 5-13-6-1(e) states in part: "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."

- (2) There were a considerable number of posting errors in the Sheriff's cash book, County Form 54. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and nonsufficient funds checks incorrectly posted.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

INMATE TRUST RECORDS

Individual inmate records were kept as a subsidiary record to the Inmate Trust Ledger. The ledger currently reconciles with the bank, but the subsidiary records do not agree to the ledger.

COUNTY SHERIFF
KNOX COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

At all times, the manual and 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)

MISSING CASH BOND

As stated in a prior audit report, a receipt for a \$2,819 cash bond was not deposited in November 2006. Kelly Roberts, jailor, collected \$2,819 cash from an inmate to be used as cash bond. This money was placed in an envelope and the envelope was later found to be missing and the cash was never deposited. Kelly Roberts was requested to pay the \$2,819 back to the Knox County Sheriff's department. On May 5, 2008, the department received \$2,569 in partial settlement of the charge. As of September 9, 2008, \$250 remains to be paid on the charge.

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 . . ."

Governmental units have the responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

TIMELY RECORDKEEPING

Records received for examination documented that the commissary ledger had no posted transactions from October 24, 2007, until the current date and the inmate trust ledger had no posted transactions from October 17, 2007, until the current date.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY SHERIFF
KNOX COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2008, with Steven P. Luce, Sheriff; and Fred Thompson, President of the Board of County Commissioners. The officials concurred with our examination findings.

The contents of this report were discussed on November 5, 2008, with Tim Ellerman, President of the County Council.