

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

AUDIT REPORT  
OF  
COUNTY AUDITOR  
KNOX COUNTY, INDIANA  
January 1, 2012 to December 31, 2012



**FILED**  
08/08/2013



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Overdrawn Cash Funds.....	4
Internal Controls .....	4
Annual Report.....	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sharon K. Duke Mindy S. Wessel	01-01-11 to 12-31-12 01-01-13 to 12-31-14
President of the County Council	Steve Thais	01-01-12 to 12-31-13
President of the Board of County Commissioners	Kevin Meyer Rowe Sargent	01-01-12 to 12-31-12 01-01-13 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF KNOX COUNTY

We have audited the records of the County Auditor for the period from January 1, 2012 to December 31, 2012, 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 2012.

STATE BOARD OF ACCOUNTS

July 10, 2013

COUNTY AUDITOR  
KNOX COUNTY  
AUDIT RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The financial statements presented in this report included the following funds with overdrawn cash balances at December 31, 2012:

<u>Fund</u>	<u>Amount Overdrawn</u>
Other Assess. Sewer/Trash/Mowing	\$ (617)
HEA 1001 State Homestead Credit	(735)
Governor's Task Grant 2008	(3,664)
Drug Seizure	(6,397)
Major Moves	(1)
County Sheriff Cash Book	(5,138)

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

**INTERNAL CONTROLS**

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient: the annual report and SEFA were materially incorrect when originally submitted.

Audit adjustments were proposed, accepted by the County, and made to the annual report and SEFA. The adjustments resulted in a presentation of the financial statements and SEFA that was materially correct.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for County Auditor, Chapter 14)

**ANNUAL REPORT**

The annual report for 2012 contained a number of errors and did not properly reflect the financial activity of Knox County. Audit adjustments were proposed and made by the County Auditor and resubmitted to the State Examiner.

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

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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 AUDITOR  
KNOX COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 10, 2013, with Steve Thais, President of the County Council; Don Halter, Commissioner; Sharon K. Duke, former Auditor; and Mindy S. Wessel, Auditor. The officials concurred with our audit findings.