

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

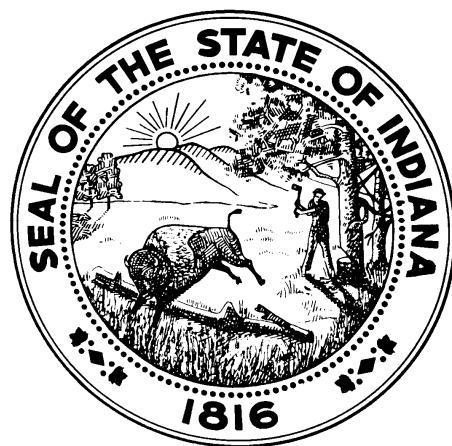
AUDIT REPORT

OF

MUNCIE/DELAWARE COUNTY DRUG TASK FORCE

DELAWARE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

10/17/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Receipt of Seized/Confiscated Property.....	4-5
Timely Record Keeping	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	George Sheridan, Jr.	01-01-07 to 12-31-10
President of the County Council	Bradley Bookout	01-01-07 to 12-31-08
President of the Board of County Commissioners	John Brooke	01-01-07 to 12-31-08



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

TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the Muncie/Delaware County Drug Task Force 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 Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Delaware County for the year 2007.

STATE BOARD OF ACCOUNTS

July 22, 2008

MUNCIE-DELAWARE COUNTY DRUG TASK FORCE
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS

RECEIPT OF SEIZED/CONFISCATED PROPERTY

Money seized by the Muncie-Delaware County Drug Task Force under Indiana Code 34-4-30.1 was receipted to the M.P.D. Drug Task Force Forfeiture Fund, a fund maintained by the City of Muncie. The Court ordered the money to be receipted to the City of Muncie General Fund, Account 231-204-39071. The account number stated is a separate fund and not a receipt account within the City General Fund. No proceeds from seized property were receipted to the City or the County General Funds.

The Muncie-Delaware County Drug Task Force has maintained a separate checking account. No deposits were made to the checking account in 2007. Monthly bank reconcilements were not performed. The checking account was closed out on November 13, 2007, and remitted to the City Controller's office. These proceeds were receipted to the M.P.D. Drug Task Force Forfeiture Fund.

Disbursements from the checking account were for such things as (1) donations to Indiana Bulls Baseball (\$1,350), Muncie Pirates (\$1,000), Ball State University football (\$2,000); (2) supplies, vests, etc; (3) computer; (4) attorney fees; (5) carpet for the Prosecutor's office (\$428); (6) drinks for the gym; (7) weapons (8) funds distributed to the Delaware County Sheriff's Office for canine expenses.

Disbursements from Fund 231, M.P.D. Drug Task Force Forfeiture Fund, were for such things as (1) attorney payments to Deputy Prosecutor and Prosecutor for civil work on prior year cases (\$14,677); (2) utility payments; (3) vehicle maintenance; (4) donation to Muncie Boy's and Girl's Club (\$1,000); (4) advertisement for the Drug Task Force in the yellow book (\$935); (5) capital and operating lease payments for vehicles; (6) supplies; (7) conferences; (8) computers; (9) office rent; (10) carpet for Delaware County Fair Queen stage (\$490); (11) down payment and one loan payment on the purchase of two vehicles (\$31,199); (12) travel expenses for the widow of a policeman killed in the line of duty to view the execution of the convicted killer; (13) paid off the loan balance of a seized vehicle (\$17,873) which will be sold in the auction.

The Federal Government considers a portion of asset seizures and forfeitures program income. No program income was receipted to the grant funds but was instead receipted in the M.P.D. Drug Task Force Forfeiture Fund. This made it difficult to determine if program income was used for program objectives.

Indiana Code 34-24-1-4(d) states in part: "If the court enters judgement in favor of the state, or the state and a unit (if appropriate), the court shall, subject to section 5 of this chapter (1) determine the amount of law enforcement costs; and (2) order that: (A) the property, if not money or real property, be sold under section 6 of this chapter, by the sheriff of the county in which the property was seized and if the property is a vehicle, this sale shall occur after any period of use specified in subsection (c); (B) the property, if it is real property, be sold in the same manner as real property is sold on execution under IC 34-55-6 (C) the proceeds of the sale or the money be (i) deposited in the general fund of the state or the unit that employed the law enforcement office that seized the property; . . . (D) any excess in value of the proceeds or the money over the law enforcement costs be forfeited and transferred to the treasurer of state for deposit in the common school fund."

Indiana Code 34-24-1-2(b) states: "When property is seized under subsection (a), the law enforcement agency making the seizure may, pending final disposition: (1) place the property under seal; (2) remove the property to a place designated by the court; or (3) require another agency authorized by law to take custody of the property and remove it to an appropriate location."

MUNCIE-DELAWARE COUNTY DRUG TASK FORCE
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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."

The grant agreement with the Indiana Criminal Justice Institute states in part: "The Grantee shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference."

OJP-Financial Guide-Part III-Chapter 4: Program Income states in part: "Program income may be used to further program objective or may be refunded to the Federal Government. Program income may only be used for allowable program costs and must be expended prior to additional OJP drawdowns... The federal portion of program income must be accounted for up to the same ratio of Federal participation as funded in the project or program."

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)

TIMELY RECORD KEEPING

During the audit period, money disbursed by the City to the Muncie/Delaware County Drug Task Force was not recorded in their Buy Money Log on a timely basis. The City disbursed \$3,000 in both October and November 2007. The money was recorded in the Buy Money Log as follows: \$2,500 in January 2008 and \$2,500 in February 2008. The remaining \$1,000 was on hand but had not yet been recorded when the Buy Money Log was presented for audit review on February 19, 2008. According to Drug Task Force personnel, the money from the City was only recorded when needed in order to keep the cash balance on the Buy Money Log low.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit.

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)

MUNCIE-DELAWARE COUNTY DRUG TASK FORCE
DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2008, with George Sheridan, Jr. Sheriff; and Lisa Scroggins, Office Manager.

The contents of this report were discussed on August 25, 2008, with John Brooke, President of the Board of County Commissioners; and Bradley Bookout, President of the County Council.