

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

AUDIT REPORT

OF

COUNTY SHERIFF

BOONE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

11/09/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	Dennis Brannon Ken Campbell	01-01-99 to 12-31-06 01-01-07 to 12-31-10
President of the Board of County Commissioners	Harold "Huck" Lewis Marc Applegate Harold "Huck" Lewis Marc Applegate	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 05-23-09 05-24-09 to 12-31-09
President of the County Council	Steven Jacob	01-01-07 to 12-31-09



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 BOONE COUNTY

We have audited the records of the County Sheriff, Boone County, 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 Boone County for the year 2007.

STATE BOARD OF ACCOUNTS

June 8, 2009

COUNTY SHERIFF
BOONE COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

The Sheriff did not prepare monthly bank account reconciliations for the Commissary Fund. A reconciliation prepared by State Board of Accounts found cash long of \$9,337.42 that resulted from posting errors that required corrections to be made to the Commissary Fund ledger.

IC 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."

CREDIT CARDS

Dennis Brannon was Sheriff of Boone County from January 1, 1999 through December 31, 2006. The Boone County Board of County Commissioners, at their January 11, 1999, meeting, authorized Dennis Brannon to apply for a new Visa card. It was recorded in the minutes that ". . . apply for the new Visa card with 2 copies of this card only . . ." Three separate credit card accounts were then opened, in the name of the Boone County Sheriff, for the following individuals: Dennis M. Brannon (Sheriff), Teresa S. Brannon (Jail), and Jeffrey J. Keller (Detective). As a part of the credit agreements, the credit cards were set up, by Mr. Brannon, using Boone County's federal tax identification number. The County was obligated for any unpaid balance remaining on the credit cards. It was arranged that whenever the minimum payment on an account was not made by the due date; the bank would automatically debit the Sheriff's checking account for the amount of the monthly minimum payment due. Below is a schedule showing the dates and amounts charged to the Sheriff's checking account and the date of the subsequent reimbursements:

<u>Month</u>	<u>Years</u>	<u>Bank Debit Amount</u>	<u>Date of Reimbursement</u>	<u>Month</u>	<u>Years</u>	<u>Bank Debit Amount</u>	<u>Date of Reimbursement</u>
December	2004	\$ 328	09-08-05	April	2007	\$ 726	04-13-07
May	2005	554	09-08-05	June	2007	770	06-25-07
September	2005	523	03-02-06	August	2007	785	08-15-07
November	2005	510	03-02-06	October	2007	775	10-05-07
March	2006	483	11-17-06	December	2007	764	01-03-08
May	2006	309	11-17-06	February	2008	573	03-30-08
July	2006	266	11-17-06	March	2008	179	03-30-08
August	2006	444	11-17-06	April	2008	735	05-02-08
October	2006	825	11-17-06	June	2008	726	07-16-08
November	2006	810	12-06	August	2008	700	08-30-08
January	2007	335	04-03-07	November	2008	591	12-22-08
February	2007	471	04-03-07				
				Total		<u>\$ 13,182</u>	

COUNTY SHERIFF
BOONE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Mr. Brannon reimbursed the Cash Book checking account for all of these automatic debits, but not always in a timely manner. Delays up to nine months were noted before some reimbursements were received. The frequency of the debit occurrences to the Cash Book checking account along with the long delays in reimbursement, point to poor internal controls over both the credit card payments and the use of funds in the checking account. We were unable to locate a credit card use policy that should have been approved by County officials.

Credit card statements for periods prior to December 31, 2001, were not available for review. As of December 31, 2001, the cards had balances in the amount of \$9,494.01. A review of the monthly credit card statements from December 31, 2001 through November 28, 2008, found that purchasing activity ceased with the card account in the name of Ms. Brannon in January 2002 and in the name of Mr. Brannon in March 2004. Subsequent activities were payment and fee charges only. The statement for the card account in the name of Mr. Keller showed charge activity through November 2006. However, Mr. Keller indicated that he did not make any charges to the account except for a couple earlier in the account's history. No purchasing activity was noted after the end of Mr. Brannon's term as Sheriff though he remained an employee of the office.

The statements disclosed the following types of charges:

Card Account Name	Lodging	Food	Airline	Car Rental	Fees	Other
D. Brannon	\$ 1,633.50	\$ 171.47	\$ 579.60	\$ -	\$ 5,907.41	\$ 440.97
T. Brannon	934.51	-	-	-	4,310.58	22.50
J. Keller	2,029.22	795.00	7,142.09	440.14	6,141.18	1,258.40

The fees charged to these credit cards, shown in the above schedule, consisted of finance charges, late fees, and overdraft limits.

Mr. Brannon indicated that the remaining balances on the three credit cards, totaling \$7,326.05 at November 28, 2008, were his obligation. On December 17, 2008, Mr. Brannon paid off the three credit card balances totaling \$7,326.05 to National City Bank and also on December 22, 2008, he reimbursed the Sheriff's Cash Book checking account in the amount of \$591 for the last unpaid automatic debit. The accounts were then closed. (See Summary page 8)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF
BOONE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

IC 5-13-5-4(b) states in part: "A public officer may draw a check or negotiable order of withdrawal upon a depository only for the following purposes . . . (3) The payment of a legal claim against a political subdivision."

IC 5-13-14-3 states in part: "A public officer who knowingly . . . draws any check or negotiable order of withdrawal against the funds except in the manner prescribed in this article, commits a Class B felony. The public officer also is liable upon the officer's official bond for any loss or damage that may accrue."

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

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should 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, etc.
6. Credit cards should 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 board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should 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 should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

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

OFFICIAL BOND

An official bond for Dennis Brannon, former Sheriff, is filed in the office of the Boone County Recorder and covered the period for a term beginning December 31, 2002. The guarantor is Liberty Mutual Insurance Company.

COUNTY SHERIFF
BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2009, with Dennis Brannon, former Sheriff.

The contents of this report were discussed on October 14, 2009, with Ken Campbell, Sheriff. The official concurred with our audit findings.

The contents of this report were discussed on October 14, 2009, with Marc Applegate, President of the Board of County Commissioners; and Steven Jacob, President of the County Council.

COUNTY SHERIFF
BOONE COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Dennis Brannon, former Sheriff: Credit Cards, pages 4 through 6	\$ 7,917.05	\$	\$
Paid by Dennis Brannon, December 17, 2008, to National City Bank		7,326.05	
Paid by Dennis Brannon, December 22, 2008, to Boone County Sheriff's Department	<u> </u>	<u>591.00</u>	<u> </u> -
Totals Dennis Brannon, former Sheriff	<u>\$ 7,917.05</u>	<u>\$ 7,917.05</u>	<u>\$</u> -