

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

KNOX COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
05/28/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Micheal P. Morris	01-01-19 to 12-31-22
County Treasurer	Brenda Hall	01-01-16 to 12-31-20
Clerk of the Circuit Court	David Shelton	01-01-19 to 12-31-22
County Sheriff	Doug Vantlin	01-01-19 to 12-31-22
County Recorder	Lisa Clark-Benock	01-01-19 to 12-31-22
President of the Board of County Commissioners	Kellie Streefer	01-01-19 to 12-31-20
President of the County Council	Robert Lechner	01-01-19 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF KNOX COUNTY, INDIANA

This report is supplemental to our audit report of Knox County (County), for the period from January 1, 2019 to December 31, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

May 21, 2020

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COUNTY AUDITOR
KNOX COUNTY

COUNTY AUDITOR
KNOX COUNTY
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

The same comment also appeared in prior Report B53174.

Condition and Context

The County had not properly maintained a complete listing of all capital assets owned. Adjustments for additions and deletions had not been made to the capital assets record since 2013, nor was a physical inventory of capital assets performed. Also, the County did not have a policy that details a threshold at which an item is considered a capital asset.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

MOTOR VEHICLE HIGHWAY RESTRICTED

Condition and Context

The County did not allocate 50 percent of funds from the State Motor Vehicle Highway Account to the Motor Vehicle Highway Restricted fund for 4 of 12 state distributions at the time of receipt. The allocations for the first five months of the year were recorded in May. In addition, the required allocations were not made in November or December.

Criteria

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

COUNTY AUDITOR
KNOX COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 21, 2020, with Micheal P. Morris, County Auditor; Julie Lancaster, Bookkeeper; Amy Connor, Deputy County Auditor; Tim Trotter, Advanced Micro-Electronic, Inc.; Kellie Streeter, President of the Board of County Commissioners; Trent Hinkle, County Commissioner; and David L. Culp, County Council member.

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BOARD OF COUNTY COMMISSIONERS
KNOX COUNTY

BOARD OF COUNTY COMMISSIONERS
KNOX COUNTY
AUDIT RESULT AND COMMENT

CAPITAL ASSETS

The same comment also appeared in prior Report B53174.

Condition and Context

The County had not properly maintained a complete listing of all capital assets owned. Adjustments for additions and deletions had not been made to the capital asset records since 2013, nor was a physical inventory of capital assets performed. Additionally, the County did not have a policy that details the threshold at which an item is considered a capital asset.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

BOARD OF COUNTY COMMISSIONERS
KNOX COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 21, 2020, with Micheal P. Morris, County Auditor; Julie Lancaster, Bookkeeper; Amy Connor, Deputy County Auditor; Tim Trotter, Advanced Micro-Electronic, Inc.; Kellie Streeter, President of the Board of County Commissioners; Trent Hinkle, County Commissioner; and David L. Culp, County Council member.