

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
COUNTY AUDITOR
NOBLE COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
08/28/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michelle L. Mawhorter	01-01-03 to 12-31-06
President of the County Council	Robert Scott	01-01-05 to 12-31-06
President of the Board of County Commissioners	J. Hal Stump	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

TO: THE OFFICIALS OF NOBLE COUNTY

We have examined the records of the County Auditor for the period from January 1, 2005 to December 31, 2005, 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 Examination Report of Noble County for the year 2005.

STATE BOARD OF ACCOUNTS

July 31, 2006

COUNTY AUDITOR
NOBLE COUNTY
EXAMINATION RESULTS AND COMMENTS

SURPLUS TAX FUND

Financial records presented for audit were incomplete and not reflective of the activity of the Surplus Tax Fund. The fund balance of \$107,449 includes numerous taxpayers who paid in more than they owe. The balance could not be identified as to which taxpayers have surplus tax remaining in the fund. The auditor must determine the amount of each taxpayer's surplus, so refunds may be made. A similar comment appeared in prior Audit Report B25358.

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 County Auditor, Chapter 9)

APPROPRIATION LEDGER

A Ledger of Appropriations, Encumbrances, Disbursements and Balances (Form 24A) is not being maintained. This form is used to account for appropriations, encumbrances and disbursements in those funds where expenditures are limited to appropriations lawfully made and approved. The original budgets approved by the Department of Local Government Finance, the local budget approved by county council, additional appropriations, and encumbrances brought forward are all filed separately without being organized in a ledger where they can be monitored. Also, the local budgets and encumbrances brought forward are not recorded in the minutes. This comment appeared in prior Audit Report B19362, B21276, B23202, and B25358.

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 County Auditor, Chapter 14)

CAPITAL ASSETS

As stated in prior Audit Reports B19362, B21276, B23202, and B25358, there were no capital asset records for the audit period. The capital assets ledger was deleted in 2000 when new software was installed. Additions and deletions to capital assets from that period to date have not been maintained. A complete inventory has not been conducted for all departments of the County for several years.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
NOBLE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

FUND LEDGER NOT IN AGREEMENT

The total funds per the County Auditor's funds ledger did not agree with the balance per County Treasurer's cash book at December 31, 2005. The Auditor's ledger exceeded the Treasurer's cash book by \$527,759.20, which has been identified as undistributed taxes. A similar comment appeared in prior Audit Reports B19362, B21276, B23202, and B25358. A journal entry to the 2006 County Treasurer's cash book brought the County Auditor's funds ledger and County Treasurer's cash book in agreement.

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 Auditors, Chapter 14)

CASH AND INVESTMENT OVERDRAFT

The cash and investment balances deficits at December 31, 2005, are:

<u>Fund</u>	<u>Amount</u>
General	\$ 9,728
Active Parenting Program	73
Intensive Supervisor	<u>429</u>
Total	<u>\$ 10,230</u>

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
NOBLE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2006, with Michelle L. Mawhorter, Auditor; J. Hal Stump, President of the Board of County Commissioners; Jack W. Herendeen, County Commissioner; and Mark L. Pankop, County Commissioner.