

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

AUDIT REPORT

OF

COUNTY AUDITOR

HAMILTON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**  
08/28/2006



TABLE OF CONTENTS

| <u>Description</u>   | <u>Page</u> |
|--|-------------|
| County Officials .....   | 2           |
| Transmittal Letter .....   | 3           |
| Audit Result and Comment:<br>Penalties, Interest and Other Charges ..... | 4           |
| Exit Conference .....  | 5           |
| Official Response .....  | 6           |

COUNTY OFFICIALS

| <u>Office</u>                                     | <u>Official</u>                    | <u>Term</u>                                  |
|---|------------------------------------|--|
| Auditor   | Robin M. Mills                     | 01-01-05 to 12-31-08                         |
| President of the<br>County Council                | John Hiatt<br>Steve Schwartz       | 01-01-05 to 12-31-05<br>01-01-06 to 12-31-06 |
| President of the Board of<br>County Commissioners | Christine Altman<br>Steven A. Holt | 01-01-05 to 12-31-05<br>01-01-06 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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF HAMILTON COUNTY

We have audited 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 Audit Result and Comment. The financial transactions of this office are reflected in the Annual Report of Hamilton County for the year 2005.

STATE BOARD OF ACCOUNTS

April 3, 2006

COUNTY AUDITOR  
HAMILTON COUNTY  
AUDIT RESULT AND COMMENT

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$5,395.16 were paid to the Internal Revenue Service on June 23, 2005. This was the result of federal withholdings being remitted four days late during the first quarter in 2005.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit. 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 County Auditors, Chapter 14)

COUNTY AUDITOR  
HAMILTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2006, with Robin M. Mills, Auditor; and Dawn Coverdale, Deputy Auditor. The official response has been made a part of this report and may be found on page 6.

# Hamilton County Auditor

Robin M. Mills, *Auditor*

Phone (317) 776-8401  
Fax (317) 776-8454  
www.co.hamilton.in.us

33 North Ninth Street, Suite L21  
Noblesville, Indiana 46060-2200

June 15, 2006

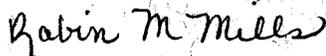
State Board of Accounts  
302 West Washington Street  
Room E 418  
Indianapolis IN 46204-2738

Re: Official Response to SBA Audit  
Penalties, Interest and Other Charges

Be it known that on February 17, 2005, an EFT payment was called in late resulting in a penalty due the IRS. Immediately upon learning of this error a letter dated March 11, 2005 was sent to the Department of Treasury in Cincinnati, Ohio requesting a waiver of the penalty since Hamilton County has a history of timely payments to the IRS. Hamilton County then received a letter dated March 31, 2005, from the IRS stating that they could not process our request until the March 2005 return was received and fully processed. After talking with County Attorney, Mike Howard, Hamilton County then contacted Dave Bastin to seek advice regarding this penalty. Hamilton County then moved forward in working with the IRS to clear up this issue. Hamilton County received a "Request for Payment" letter dated May 16, 2005, then on June 16, 2005 Hamilton County received Letter 852C stating that the request to remove penalties was denied. After meeting with Mike Howard, County Attorney and the Board of Hamilton County Commissioners a check for the penalty for the delinquent tax deposit was cut and sent to the IRS on June 27, 2005 in care of Kimberly L. Brown, Operations Manager.

I firmly believe that every effort was made to have this penalty removed by IRS. I understand that it is the duty and responsibility of officials and employees to pay claims and remit taxes in a timely fashion. This was however, an unfortunate human error that has been discussed with my Payroll Department. Stricter procedures were immediately implemented to ensure that this error will not happen again.

Very truly yours,



Robin M. Mills  
Hamilton County Auditor