

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

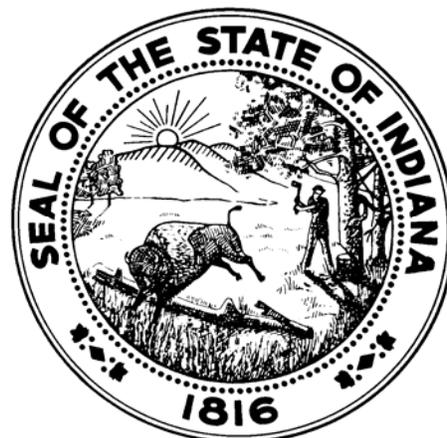
AUDIT REPORT

OF

COUNTY AUDITOR

VIGO COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**

09/08/2006



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	James W. Bramble	01-01-05 to 12-31-08
President of the County Council	Robert Hellmann	01-01-05 to 12-31-06
President of the Board of County Commissioners	Paul Mason Judith A. Anderson	01-01-05 to 12-31-05 01-01-06 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF VIGO 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Vigo County for the year 2005.

STATE BOARD OF ACCOUNTS

June 28, 2006

COUNTY AUDITOR  
VIGO COUNTY  
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

The 2005 annual report for Vigo County was not prepared and filed with the state examiner within the required due date.

Indiana Code 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner within thirty (30) days after the close of each fiscal year."

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
Departments within the General Fund:	
Title IV-D	\$ 1,355
Prosecutor	4,583
Air Pollution	<u>8,957</u>
Total departments within County General	<u>\$ 14,895</u>
Other Funds:	
Prosecutor Incentive	\$ 3,721
Convention and Tourism	155,149
Jail Bond	302,878
Cumulative Bridge	341,142
Child Welfare Services	<u>1,102,000</u>
Total other funds	<u>\$ 1,906,768</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CONGRESSIONAL SCHOOL FUND DISTRIBUTIONS

Semiannual distributions were not made to the Vigo County School Corporation from the Congressional School Funds in 2005. Also, the second distribution was not made in 2004. The Auditor's office is required to distribute 4% of the Congressional School Fund principal each year. For Vigo County, this totals \$3,429 for 2004 and 2005.

Semiannually, on the second Monday of July and the last Monday in January, the auditor of each county shall make distribution of the interest on the congressional fund to the treasurer of each school corporation. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 11)

COUNTY AUDITOR  
VIGO COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

FORM 1099

Controls over reporting information to the Internal Revenue Service were insufficient. The Auditor's office produced an incorrect Form 1099-MISC for 2005 and issued it to the County Sheriff. The total on the Form 1099 omitted a meal payment to the Sheriff in the amount of \$28,901, due to an error made when the meal payment was originally issued.

The Auditor's staff should issue a corrected Form 1099 to the Sheriff, and implement controls to check the accuracy of tax forms in the future.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

LATE FEES AND FINANCE CHARGES

In many cases, invoices from credit card companies and utilities are being consistently paid after the due date. These companies then assess a late fee and/or finance charge.

Late fees and finance charges of \$2,000 were identified as being paid in 2005 during a review of claims from 23 county departments.

The Auditor should remind the departments that claims must be submitted to the Auditor's office in a timely manner to avoid incurring these fees.

Unnecessary charges were found on claims submitted by the following departments:

COUNTY AUDITOR  
VIGO COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Department	Number of Invoices	Total Amount
Commissioners	16	\$ 948
Juvenile Detention	15	602
Alcohol and Drug	17	111
Prosecutor	3	85
Highway	2	73
Group Homes	7	70
Community Corrections	8	39
Air Pollution	6	26
Sheriff	1	23
Public Defender	2	17
Township Assessors	5	6
Totals	<u>69</u>	<u>\$ 2,000</u>

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 Counties, Chapter 1)

OVERDRAWN FUND BALANCES

The following funds were overdrawn at December 31, 2005: Project 21, Public Safety, Drug Court User Fee, Prosecutor Gun Grant, Bond and Interest Redemption and Family and Children.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY AUDITOR  
VIGO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2006, with James W. Bramble, Auditor. The official response has been made a part of this report and may be found on page 8.



## Vigo County Auditor

VIGO COUNTY ANNEX  
131 OAK STREET  
TERRE HAUTE, INDIANA 47807

James W. Bramble, CPA, Auditor  
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June 28, 2006

State Board of Accounts  
302 West Washington St Room E418  
Indianapolis IN 46204-2765

I wish to respond to the audit comments entitled APPROPRIATIONS and OVERDRAWN FUND BALANCES. In particular, the comments on the deficit balance in the Family and Children Fund and the overdrawn appropriation for Child Welfare Services. As of the date of this response the fund is overdrawn \$ 1,383,190.17. This is after a temporary loan of \$ 750,000.00 from the County Reassessment Fund. Consequently, the total debt owed the Family and Children Fund to other county funds is presently \$ 2,133,190.17.

The department that administers the fund is the Indiana Family and Social Services Administration. The County's role is to collect the property tax levied and other receipts used to support the agency's programs. Those funds are then used by the County to pay the bills as submitted by the state agency. It is obvious, as demonstrated by the cash overdraft that the agency's expenditures far exceed it's revenue.

A solution to this problem lies in the hands of the Governor and the General Assembly. Either the Governor's administration needs to develop spending controls over the Family and Social Services Administration which would prevent expenditures in excess of appropriations, or the General Assembly needs to provide alternative sources of revenue.

James W. Bramble CPA  
Vigo County Auditor