

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

AUDIT REPORT

OF

BOARD OF COUNTY COMMISSIONERS

DELAWARE COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
09/14/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Joseph M. Russell	01-01-05 to 12-31-06
President of the Board of County Commissioners	Larry Crouch Thomas Bennington	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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TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the Board of County Commissioners 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 Delaware County for the year 2005.

STATE BOARD OF ACCOUNTS

August 10, 2006

BOARD OF COUNTY COMMISSIONERS
DELAWARE COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

The following deficiencies were noted during the review of the County's property tax computer system:

Output Balancing and Reconciliation

To help ensure reports are complete and correct, reports should be, but are not balanced to control totals produced during original entry of information into the system. The following deficiencies exist where generated reports are not reconciled: There are no system-generated reports from the tax system, however, the computer department constructs some reports at year end. The 2005 beginning billable amount in the Ditch Reconstruction Fund did not match the prior year's ending balance. The assessments on the tax duplicates did not agree to the abstract.

Audit Trails

Audit trails are insufficient. During parts of January, February, and March, some users are allowed to make changes to the CAMA system directly without creating a transaction. Additions, deletions, or changes made through this edit screen are not recorded in the application system. There are no reports provided by the system to record this type of maintenance activity (i.e. changing of fund balances). In addition, there are no manual procedures and logs to record this activity. Until this system is modified to record maintenance activities, manual logs should be used to record all activity performed through the edit and these logs should be retained for audit.

Input Controls

Users have no way of knowing if complete transactions have been entered into this system. While entering information on assessments, it is possible to enter only demographic information while omitting the assessment information. Edits should exist which would prompt a user when information is not complete. If the system cannot provide such edits, the user should implement manual controls such as checklists or visual verification.

Without these internal controls, the County cannot ensure reliability of the financial information and records created and maintained in the property tax computer system. The Board of County Commissioners should establish internal controls over output balancing and reconciliation; audit trails; and input controls that will provide a proper internal control structure.

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 Counties, Chapter 1)

BOARD OF COUNTY COMMISSIONERS
DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006, with Thomas Bennington, President of the Board of County Commissioners; Joseph M. Russell, President of the County Council; Jane Lasater, Auditor; and Donna Patterson, Head Bookkeeper, Auditor's Office. The officials concurred with our audit finding.