

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

AUDIT REPORT

OF

COUNTY AUDITOR

POSEY COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

11/15/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Joleen R. Elpers	01-01-04 to 12-31-07
President of the County Council	Robert Deig Dallas S. Robinson	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Scott Moye John K. Sherretz	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
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TO: THE OFFICIALS OF POSEY 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 Posey County for the year 2005.

STATE BOARD OF ACCOUNTS

September 26, 2006

COUNTY AUDITOR
POSEY COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Prosecutor's IV-D Incentive (old) Fund, Indiana Law Enforcement Fund and Wastewater Study - Wadesville/Blairsville Fund were overdrawn in 2005.

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 County Auditor's, Chapter 14)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations for the year 2005:

<u>Fund</u>	<u>Excess Amount Expended</u>
Supplemental Adult Probation Services	\$ 2,044
Jury User Fee	15
Local Emergency Planning	8,055
Drug Free Communities	90,826
Surveyor's Corner Perpetuation	13,883
Clerk's Records Perpetuation	4,027
County Misdemeanant	13,292

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."

PENALTIES, INTEREST, AND OTHER CHARGES

Several instances were noted in which amounts payable to vendors and other suppliers of goods and services were not paid until months after the invoice dates. Late charges were paid in 2005 on such items as copier rentals and leases and utility bills and penalties and interest was paid on late payment of federal employment tax.

Penalties and interest totaling \$15.15 were paid to the Internal Revenue Service and late charges totaling \$1,908.79 was paid to Vectren on late payment of utility bills and \$85.48 was paid to Citicorp Vendor Finance and \$8.69 was paid to Citicapital on late payment of copier rental and leases.

COUNTY AUDITOR
POSEY COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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 Auditor's, Chapter 14)

CAPITAL ASSETS

The County has adopted a capital asset capitalization policy as Ordinance 99-3-15-2, however; the policy is not followed. The County does not maintain capital asset records in compliance with the ordinance, nor has physical inventory of capital assets been performed. A similar comment was in several prior reports.

The County hired a company to prepare a listing of general infrastructure capital assets in 2005. The company compiled an inventory of general infrastructure capital assets which also included buildings, highway equipment and voting machines; however, this is only part of the County's capital assets. All of the capital assets of each county department still need to be inventoried, including some large departments such as the Sheriff Department and E-911.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. 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 Auditor's, Chapter 14)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditor's, Chapter 14)

COUNTY AUDITOR
POSEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 2, 2006, with Martin R. Redman, Commissioner; Dallas S. Robinson, President of the County Council; and Joleen R. Elpers, Auditor. The officials concurred with our audit findings.