

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF  
COUNTY AUDITOR  
HARRISON COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**  
07/17/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia A. Wolfe	01-01-03 to 12-31-10
President of the County Council	Gary Davis Carl L. Mathes	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	John R. Eckart James Goldman	01-01-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HARRISON COUNTY

We have audited the records of the County Auditor for the period from January 1, 2006 to December 31, 2006, 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 Harrison County for the year 2006.

STATE BOARD OF ACCOUNTS

June 14, 2007

COUNTY AUDITOR  
HARRISON COUNTY  
AUDIT RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Harrison County did not comply with directives of the Internal Revenue Service. The compensation of County employees who drive county vehicles to and from work was not reported on Form W-2.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. 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)

SERVICE AND TIME RECORDS

The prior audit noted that employee time, attendance, or service records were not maintained and presented for audit for several salaried employees. This has been corrected in most instances, but salaried Probation Officers in Superior and Circuit Court and salaried employees in the Prosecuting Attorney's office only note leave time taken on the time sheets.

Failure to maintain adequate time records for employees who are entitled to receive leave benefits may make it impossible to determine if employees were working the hours required and to determine if they have vacation or sick leave balances available to use.

COUNTY AUDITOR  
HARRISON COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

The County's procedures for completing time sheets to remit to the County Auditor should be followed by all employees, salaried and hourly. Service records can then be maintained by the County Auditor for all employees entitled to receive leave benefits.

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 Auditors, Chapter 4)

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. The Harrison County Sheriff's Department received a grant for the reimbursement of traffic safety equipment. The amount of \$16,500 was posted as a receipt to the Sheriff's Commissary Fund on October 16, 2006, as a reimbursement for the purchase of an in car camera for the Sheriff's department. The amount of \$25,100 was disbursed from the Sheriff's Commissary Fund on May 17, 2006, for the purchase of the equipment.

This financial information was not reported on the County's Annual Financial Report or on the County Auditor's records.

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)

COUNTY AUDITOR  
HARRISON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2007, with Patricia A. Wolfe, County Auditor; James Goldman, President of the Board of County Commissioners; and Carl L. Mathes, President of the County Council. The officials concurred with our audit findings.