

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

AUDIT REPORT

OF

COUNTY AUDITOR

FRANKLIN COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

07/19/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Carol L. Monroe	01-01-04 to 12-31-07
President of the County Council	Donald (Butch) Williams	01-01-06 to 12-31-07
President of the Board of County Commissioners	Louis E. Linkel Vacant Thomas Wilson	01-01-06 to 04-15-07 04-16-07 to 04-22-07 04-23-07 to 12-31-07



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF FRANKLIN 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 Franklin County for the year 2006.

STATE BOARD OF ACCOUNTS

June 4, 2006

COUNTY AUDITOR  
FRANKLIN COUNTY  
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2006 was not presented for audit as of April 23, 2007.

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."

ACCOUNTING RECORDS

Several errors were made in the County's computerized accounting records. In two of the funds the amount of disbursements on the cash balance report differed from the amount disbursed on the expenditures statement. The receipts and disbursements of the General Fund did not agree to the detail of receipts and disbursements on the revenue and expenditure statements.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

TIMELY RECORDKEEPING

We noted tax duplicates and settlement sheets were not prepared until April 2007 even though the tax collection date was November 10, 2006.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

TAX SALE SURPLUS FUNDS

The County was holding \$2,797.26 in Tax Sale Surplus, at December 31, 2006, which was held for more than three years.

Indiana Code 6-1.1-24-7(c) states: "An amount deposited in the tax sale surplus fund shall be transferred by the county auditor to the county general fund and may not be disbursed under subsection (b) if it is not claimed within the three (3) year period after the date of its receipt."

COUNTY AUDITOR  
FRANKLIN COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

CERTIFICATION OF CLAIMS

Disbursements were not officially certified by the fiscal officer.

Indiana Code 5-11-10-2(a) states in part: "Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

CONDITION OF RECORDS

As stated in the prior Report B28892, the Surplus Tax Fund Ledger (Form 65 STF) did not balance with the Surplus Tax Fund in the County Auditor's Fund Ledger.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

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 14)

COUNTY AUDITOR  
FRANKLIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 4, 2007, with Carol L. Monroe, Auditor; and Thomas Wilson, President of the Board of County Commissioners. The official response has been made a part of this report and may be found on pages 7 and 8.

June 18, 2007

To Whom It May Concern:

I have received the annual Audit Results and Comments for 2006. I would like to take this opportunity to respond to each finding in turn.

#### Accounting Records

The annual report was not timely filed due to incompatibility issues with the software provided by the State Board of Accounts. Apparently, the software we use is "double entry" accounting and we operate on a cash based method of accounting. This created several problems with generating the report. Our office has been in contact with the software company to resolve these conflicts. I have outlined some of the issues we encountered.

I completed the annual report for 2006 at home on January 30, 2007. I brought the report in to the office with me on January 31, 2007. Before emailing the report to the State, I reviewed the report again. I discovered that some of the beginning balances had defaulted to zero on various funds. Also, various disbursements within the report had defaulted to zero. The software would not allow me to reenter the disbursements. It would report, "already exists", even though I had just verified that the disbursement was not in the report. I would then have to delete the entries for that fund and start over. This occurred for example in fund #242 (Title IV-D)

- a. Another example is fund #205 (Welfare Trust). When the report printed out the disbursement showed zero (\$0) but the software showed a disbursement of (\$17,259.00).
- b. Also when the report was printing the highway fund and edit funds were being combined.

#### Timely Record Keeping

Even though the tax collection date was November 10, 2006, our office was not able to prepare the tax duplicates and settlement statements until April 2007 because we were not receiving accurate information from the Bureau of Motor Vehicles (BMV) for the amounts we were due. It is my understanding that this happened with other counties as well. Our office has distributed any earned interest the various due in the amount of \$61,509.55.

### Tax Sale Surplus Funds

Our office did not move funds from the tax surplus fund to the general fund for convenience reasons. It worked better for our office to keep the money in the surplus fund for when former property owners wanted to claim any surplus. We have corrected the matter and all surplus monies have been moved to the general fund.

### Certification of Claims

Some disbursements were not officially certified by the fiscal officer. I questioned the last examiner (from the State Board of Accounts) on what to do if I did not agree with a disbursement the County Commissioners were wanting to make. I was told if I do not agree with the disbursement, don't sign it. That has been the policy I have followed for all claims against the county.

Respectfully Submitted,

Carol L. Monroe  
Franklin County Auditor