

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

AUDIT REPORT

OF

COUNTY AUDITOR

BARTHOLOMEW COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

11/30/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Nancy McKinney	01-01-06 to 12-31-10
President of the County Council	Judith Meyer Sue R. Paris	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Larry Kleinhenz Paul Franke	01-01-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF BARTHOLOMEW 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Bartholomew County for the year 2006.

STATE BOARD OF ACCOUNTS

September 11, 2007

COUNTY AUDITOR  
BARTHOLOMEW COUNTY  
AUDIT RESULT AND COMMENT

INTERNAL CONTROL - CAPITAL ASSETS

Our audit disclosed that internal control over capital assets was inadequate to provide reasonable assurance that assets would be safeguarded against loss, and that reliable data is obtained, recorded, and maintained properly to permit the preparation of accurate financial statements.

As noted in the last nine annual audits, attempts have been made to prepare capital asset records; however, the current capital assets are not adequate. Not all capital asset purchases and disposals were recorded and the original cost did not reflect all value given towards purchase (trade-in value). We also noted that an annual inventory had not been conducted by each county office or department. No information was presented for audit to indicate verification was made of the capital asset inventory, independent of the employees having access to the assets. In addition, some capital assets were not properly identified including those that were acquired in whole or part with federal funding. These conditions indicate that proper segregation of duties did not exist and capital assets were not adequately safeguarded.

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)

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the General Fixed Asset Account Group, Form 369, or properly approved form, as applicable. 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 Auditors, Chapter 20)

COUNTY AUDITOR  
BARTHOLOMEW COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 22, 2007, with Nancy McKinney, Auditor; and Paul Franke, President of the Board of County Commissioners. The officials concurred with our audit finding.