

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

AUDIT REPORT

OF

COUNTY AUDITOR

NOBLE COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

12/20/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michelle L. Mawhorter Jacqueline L. Knafel	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the County Council	Robert Scott Harold A. Troyer	01-01-06 to 08-05-07 08-06-07 to 12-31-07
President of the Board of County Commissioners	J. Hal Stump Mark L. Pankop	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 NOBLE 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 Noble County for the year 2006.

STATE BOARD OF ACCOUNTS

December 10, 2007

COUNTY AUDITOR
NOBLE COUNTY
AUDIT RESULTS AND COMMENTS

CASH AND INVESTMENT OVERDRAFT

At December 31, 2006, the following funds had cash and investment overdrafts as follows:

Fund	Amount
Family and Children	\$ 71,616
County Rental Account	3,603
Public Health Coordinator	4,818
Prosecutor Stop Grant	226,060
Active Parenting Program	73
Intensive Supervision	429
Tax Distributions	265,701

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

CONGRESSIONAL INTEREST NOT PAID

The Auditor had not distributed interest on the Congressional School Fund to the school corporations since May of 2001. Even though the County does not have a Congressional School Interest Fund, they are still required to pay the interest from the County General Fund.

The County is liable for the payment of interest to the State on the Common and Permanent Endowment Funds and to the school corporations on the Congressional School Fund, on the amounts held in trust, whether or not the funds are loaned or invested.

Any deficiency occurring in the principal or interest on any fund shall be made up from the county general fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 11)

APPROPRIATIONS

The records presented for audit indicated the County Economic Development Income Tax (CEDIT) Fund had not been appropriated.

CEDIT funds must be appropriated by the county council prior to expenditure, and may only be used for those items included in the capital improvement plan. (The County Bulletin and Uniform Compliance Guidelines, Volume 355)

CAPITAL ASSETS

As stated in prior Reports B19362, B21276, B23202, B25358, and B27737, there were no capital asset records for the audit period. The capital assets ledger was deleted in 2000 when new software was installed. Additions and deletions to capital assets from that period to date have not been maintained. A complete inventory has not been conducted for all departments of the County for several years.

COUNTY AUDITOR
NOBLE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. 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 14)

CITY AND TOWN COURT COST FUND

The Auditor has not been using the proper percentages to distribute the City and Town Court Cost fund to the qualifying cities and towns since 2004. The County Auditor calculated the proper percentages in 2007 and is correcting the prior distributions.

Indiana Code 33-37-7-6(b) and (c) state in part:

"(a) The county auditor shall determine the amount to be distributed to each city and town qualified under subsection (a) as follow:

STEP ONE: Determine the population of the qualified city or town.

STEP TWO: Add the populations of all qualified cities and towns determined under STEP ONE.

STEP THREE: Divide the population of each qualified city and town by the sum determined under STEP TWO.

STEP FOUR: Multiply the result determined under STEP THREE for each qualified city and town by the amount of the qualified municipality share.

(c) The county auditor shall distribute semiannually to each city and town described in subsection (a) the amount computed for that city or town under STEP FOUR of subsection (b)."

BOARD MINUTES

The County Commissioner minutes were not complete for 2006. The minutes were marked as preliminary or stamped in red "draft" and were not signed by the board.

Indiana Code 5-14-1.5-4(b) states in part:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2."

COUNTY AUDITOR
NOBLE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2007, with Michelle L. Mawhorter, former Auditor; Jacqueline L. Knafel, Auditor; Mark L. Pankop, President of the Board of County Commissioners; and J. Hal Stump and Jack Herendeen, County Commissioners. The officials concurred with our audit findings.