

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

AUDIT REPORT

OF

COUNTY AUDITOR

VERMILLION COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/12/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sherrie A. Koma	01-01-05 to 12-31-08
President of the County Council	John Yoho (Vacant) John Cheesewright	01-01-07 to 06-06-08 06-07-08 to 07-13-08 07-14-08 to 12-31-08
President of the Board of County Commissioners	Tim J. Wilson	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF VERMILLION COUNTY

We have audited the records of the County Auditor for the period from January 1, 2007 to December 31, 2007, 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 Vermillion County for the year 2007.

STATE BOARD OF ACCOUNTS

August 11, 2008

COUNTY AUDITOR
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2007 was filed with the State Examiner on July 14, 2008. The close of the County's fiscal year was December 31, 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."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$3,615 were paid on May 8, 2008, to the Internal Revenue Service. The fees were assessed due to the late filing of payroll tax withholding forms for the tax periods November and December 2007.

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 Auditors, Chapter 14)

ERRORS ON CLAIMS

During the performance of procedures for a special review of the County E911 funds, for the three year period ending December 31, 2007, the following errors with disbursements were identified:

- (1) Disbursements for payments from the E911 Sinking Fund and the E911 Project Fund, during the period February 2005 through September 2007, were not officially approved by the Board of County Commissioners.

COUNTY AUDITOR
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (2) Itemized invoices could not be located for any of the disbursements made during 2005.
- (3) The majority of invoices for disbursements made in 2006 were not attached to an Accounts Payable Voucher. The vouchers were kept in a separate file with the duplicate checks.
- (4) Accounts Payable Vouchers available for review were not adequately itemized.

Indiana Code 5-11-10-1.6(c) states: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the governmental entity's fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

CAPITAL ASSETS

As previously stated in the last four Reports, the Capital Asset Ledger, County Form 146, is prescribed by the State Board of Accounts to be a record of capital assets purchased by the County. The forms maintained by the County contained such errors as: not all capital asset purchases and disposals were recorded, items not defined as capital assets were recorded, the original cost did not reflect the entire value given toward the purchase (trade-in value), and entries did not contain all necessary information such as purchase dates and serial numbers.

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 Auditor, Chapter 14)

COUNTY AUDITOR
VERMILLION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2008, with Sherrie A. Koma, Auditor; Tim J. Wilson, President of the Board of County Commissioners; and John Cheesewright, President of the County Council. The officials concurred with our audit findings.