

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

AUDIT REPORT
OF
COUNTY AUDITOR
PUTNAM COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
09/23/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Stephanie Campbell	01-01-05 to 12-31-08
President of the County Council	Mitchell Proctor	01-01-07 to 12-31-08
President of the Board of County Commissioners	Kristina Warren Gene Beck	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PUTNAM 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 Putnam County for the year 2007.

STATE BOARD OF ACCOUNTS

August 20, 2008

COUNTY AUDITOR
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2007 was not prepared by the County Auditor.

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."

FUND SOURCES AND USES

Funds were disbursed from the Hazardous Waste Fund to Operation Life for County ambulance services.

Indiana Code 6-6-6.6-3 identifies the following purposes of hazardous waste revenue:

- (1) Establishing monitoring wells on land near the site of the disposal facility.
- (2) Analyzing samples from the monitoring wells established under subdivision (1).
- (3) Conducting other types of testing and surveillance for hazardous waste contamination of land near the disposal facility.
- (4) Providing training for County and local Public Health and Public Safety Officers in the proper procedures for dealing with emergencies involving hazardous substances or hazardous waste.
- (5) Providing special clothing and equipment needed by County and local Public Health and Public Safety Officers for dealing with emergencies involving hazardous substances or hazardous waste.
- (6) Funding research on alternatives to land disposal as a means of eliminating hazardous waste.
- (7) Paying the cost of hazardous waste, hazardous substance, or solid waste removal and remedial action at a site located within the County.
- (8) Meeting the county's requirements under Indiana Code 13-21 for the planning and implementation of a solid waste management district plan.
- (9) Paying the costs associated with the construction or rehabilitation of a facility used for training described in subdivision (4).
- (10) Paying the costs associated with any other project that has identifiable environmental benefits.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Counties, Chapter 1)

COUNTY AUDITOR
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not certified by the County Auditor as to being true, correct and audited in accordance with Indiana Code 5-11-10-1.6.
- (2) All claims did not have documentation of board approval.

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."

OVERDRAWN FUND BALANCES

At December 31, 2007, the following funds had overdrawn fund balances:

<u>Fund</u>	<u>Amount</u>
Aviation	\$ 33,146
County Corrections	9,842
Phoenix Community Corrections	16,757
DOC Revenue	1,747
Victims Assistance	2,061
Bioterrorism Coordinator Grant	9,006
District 7 Fire Training	10,817
Hazmat Technical Rescue	51,887
Law Enforcement 800 MHZ Radios	162,240
Tax Sale Redemption	10,126

Some cash and investment deficits arose primarily from reimbursement type grants for which reimbursements have not yet been received.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

PRESCRIBED FORMS

The Accounts Payable Register, General Form 364 was not in use by the County. The form in use was not approved and did not always contain required information such as claim number, the office, department or fund, auditor's certification or evidence of allowance by the Board of County Commissioners.

COUNTY AUDITOR
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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)

TAX SALE SURPLUS FUND RECONCILIATION

As reported in the prior Report B30782, the Tax Sale Surplus Fund detail is \$ 43,906 greater than the cash balance control account. Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control account. An overpayment of \$33,716, made in 2003 was identified in the prior audit and the vendor has been contacted to obtain reimbursement. A partial overpayment reimbursement of \$30,000 was received on May 16, 2008. The County Attorney is attempting to recover the unpaid balance. The remaining difference has been identified as posting errors.

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)

TAX SALE REDEMPTION FUND RECONCILIATION

As reported in the prior Report B30782, the Tax Sale Redemption Fund has a negative balance of \$10,126. Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control account. An overpayment of \$1,699, made in 2003 was identified in the prior audit and the vendor has been contacted to obtain reimbursement. The County Attorney is attempting to recover the \$1,699 overpayment. The remaining difference is unidentified.

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)

CAPITAL ASSETS

Capital asset records were being maintained by the County; however, they have not been updated since 2005.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. 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)

COUNTY AUDITOR
PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2008, with Stephanie Campbell, Auditor. The official concurred with our audit findings.