

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

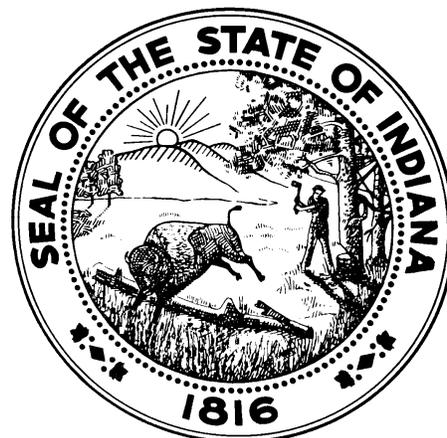
AUDIT REPORT

OF

COUNTY AUDITOR

HANCOCK COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

11/10/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Vicki Saunders Linda Grass	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the County Council	William Bolander	01-01-07 to 12-31-08
President of the Board of County Commissioners	Jack Heiden	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HANCOCK 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 Hancock County for the year 2007.

STATE BOARD OF ACCOUNTS

October 27, 2008

COUNTY AUDITOR
HANCOCK COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT/CONDITION OF RECORDS

We noted errors in the Annual Financial Report for the year ended December 31, 2007. These errors consisted mainly of investment activities not properly reported, beginning and ending balances not agreeing with the ledger, federal and state grant activity not identified, and financial activity of the various departments not being reported. A new County Auditor and bookkeeper took office on January 1, 2008. These errors were mainly attributed to the inexperience of the new administration with completing the Annual Financial Report.

Pursuant to Indiana Code 5-11-1-4, the county auditor is required to prepare and file an Annual Financial Report with the State Board of Accounts. The report is prepared on forms furnished by this board and must be filed on or before January 31 after the close of the calendar year. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 6)

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 of Indiana, Chapter 14)

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 of Indiana, Chapter 14)

ORDINANCES AND RESOLUTIONS

We noted two payments for overnight travel that were not in compliance with the County's approved travel policy. In these two instances, overnight travel was paid for seven employees staying in Indianapolis for conferences. The total paid for lodging in these two instances was \$2,427. The County's travel policy as approved in County Ordinance 1995-5G, amended with Ordinance 1998-9C, states that when County officials and employees are attending called or authorized meetings more than 50 miles from the Hancock County Courthouse, lodging expenses will be reimbursed. Per internet mapping services, the distance in these two instances was only 21 and 28 miles, respectively, from the courthouse.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
HANCOCK COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

SUPPORTING DOCUMENTATION ON CLAIMS

The County has a policy on the use of credit cards and was using credit cards during the audit period. We noted five claims for payment to a credit card company that did not include adequate supporting documentation. These five payments totaling \$9,405 were disbursed from the County Misdemeanant Fund and appeared to be for prisoner extradition expenses. The only documentation attached to the claim for payment was the statement from the credit card company. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

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."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 27, 2008, with Linda Grass, Auditor; and Jack Heiden, President of the Board of County Commissioners.