

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

EXAMINATION REPORT
OF
COUNTY AUDITOR
POSEY COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
01/26/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Joleen R. Elpers	01-01-04 to 12-31-10
President of the County Council	Thomas R. Schneider Robert Gentil	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	W. Scott Moye James Alsop	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 POSEY COUNTY

We have examined 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Posey County for the year 2007.

STATE BOARD OF ACCOUNTS

December 3, 2008

COUNTY AUDITOR
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

Records presented for audit indicated that expenditures for the Mental Health Fund exceeded budgeted appropriations by \$105,874. A similar comment was made in prior reports.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN FUND BALANCES

The following funds were overdrawn in 2007:

2005 SHP (Homeland Security)
County Law Enforcement Continuing Education
Drug Control Program
Drainage Maintenance
Family Violence
Indiana Law Enforcement
Mental Health
Prosecutor's Incentive IV-D (old)
Wastewater Study-Wadesville/Blairsville
Tax Distribution Funds

A similar comment was made in prior reports.

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, Chapter 14)

TAX SALE

There has not been a tax sale held since 2005 due to a combination of problems with oil leases and delays in receiving approved tax rates and tax due dates.

On or before July 1 of each year, the county treasurer shall certify to the county auditor, a list of real property on which either any property taxes or special assessments certified to the county auditor for collection by the county treasurer from the prior years spring installment or before are delinquent as determined under IC 6-1.1-37-10 or any unpaid costs from a prior tax sale. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 9)

CITY AND TOWN COURT COST FUND

The Clerk has been properly computing and forwarding court fees to the Auditor, but the Auditor did not make any distributions to qualified Cities and Towns during 2007.

Indiana Code 33-37-7-6(c) states: "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).

COUNTY AUDITOR
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONGRESSIONAL SCHOOL FUND INTEREST

There were no distributions of interest from the Congressional School Funds in 2007.

Semiannually, on the second Monday of July and the last Monday in January, the auditor of each county shall make distribution of the interest on the congressional fund to the treasurer of each school corporation. The interest is computed at the rate of 4% per annum on the amount held in trust for each congressional township and apportioned and distributed on the basis of the enumeration of children, pursuant to IC 20-42-2-7. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 11)

SURPLUS TAX FUND

Several posting errors were not discovered in a timely manner because reconcilements were not made between the Surplus Tax Fund Record and the Surplus Tax Fund:

- (1) Overpayments received for tax year 2006 were not posted to the Surplus Tax Record.
- (2) A total of \$712 in Surplus Tax money was refunded on 13 properties, but not posted to the Surplus Tax Record.
- (3) Checks written to a single taxpayer for the refunding of multiple properties were posted in the entire amount of the check to each property refunded, rather than for the amount of that property's refund, thus making accurate footing of the "Amount Refunded" column in the Surplus Tax Fund record impossible. This error also contributed to several of the omitted refunds noted above, because not all properties refunded by these checks were posted.

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)

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)

CONTRACTS

Payments totaling \$33,655 were made to Integrity Computing Solutions for information technology services in 2007 without a contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

The County does maintain a capital asset listing. However, there are several items ranging from desktop computers to automobiles that do not have historical costs posted. Buildings and Land are not included in the capital assets records, but should be. A similar comment was made in several prior reports.

Every governmental unit should have a complete inventory of all fixed assets owned which reflects 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)

COUNTY AUDITOR
POSEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2008, with Joleen R. Elpers, Auditor; James Alsop, President of the Board of County Commissioners; and Robert Gentil, President of the County Council.