

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

AUDIT REPORT

OF

COUNTY AUDITOR

NEWTON COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

09/22/2009

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COUNTY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|--------------------------------|--|
| Auditor | Patricia L. Carlson | 01-01-07 to 12-31-10 |
| President of the County Council | Scott Madison Sharon Miller | 01-01-08 to 12-31-08 01-01-09 to 12-31-09 |
| President of the Board of County Commissioners | Roxanna Hanford | 01-01-08 to 12-31-09 |



STATE OF INDIANA
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TO: THE OFFICIALS OF NEWTON COUNTY

We have audited the records of the County Auditor for the period from January 1, 2008 to December 31, 2008, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Newton County for the year 2008.

STATE BOARD OF ACCOUNTS

July 16, 2009

COUNTY AUDITOR
NEWTON COUNTY
AUDIT RESULT AND COMMENT

FUND FOR E911 FEES

Fees (commonly known as E911 fees) are received for the enhanced emergency telephone system (landline fees) and the enhanced wireless emergency telephone service (wireless fees). The County is to maintain these fees in separate funds. We found that revenue from these fees was combined into the same fund. Not maintaining a separate fund for these fees results in an internal control weakness over the ability to ensure that the fees are expended as required by statute.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana)

IC 36-8-16-13 states:

"Deposit of fees into emergency telephone system fund

Sec. 13. A county treasurer or municipal fiscal officer to whom enhanced emergency telephone system fees are remitted under section 12 of this chapter shall deposit the fees in a separate fund. The fund shall be known as the Newton County emergency telephone system fund. The county treasurer or municipal fiscal officer may invest money in the fund in the same manner that other money of the county or municipality may be invested. The county treasurer or municipal fiscal officer shall deposit any income earned from such an investment in the fund.

As added by P.L.91-1988, SEC.5."

IC 36-8-16.5-43 states:

"County wireless emergency telephone system funds; establishment; deposits by county treasurer

Sec. 43. The distribution of wireless emergency enhanced 911 funds by the board for cost recovery by Public Safety Answering Point's (PSAP) under section 39 of this chapter must be deposited by the county treasurer in a separate fund set aside for the purposes allowed by section 41 of this chapter. The fund must be known as the Newton County wireless emergency telephone system fund. The county treasurer may invest money in the fund in the same manner that other money of the county may be invested, but income earned from the investment must be deposited in the fund set aside under this section.

As added by P.L.98-1998, SEC.1. Amended by P.L.16-2002, SEC.19."

We recommended that the E911 fees be maintained in a separate fund.

COUNTY AUDITOR
NEWTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2009, with Patricia L. Carlson, Auditor; Roxanna Hanford, President of the Board of County Commissioners; and Sharon Miller, President of the County Council. The officials concurred with our audit finding.