

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

AUDIT REPORT

OF

COUNTY AUDITOR

RANDOLPH COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
11/16/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	David B. Kelly	01-01-07 to 12-31-10
President of the County Council	Carlton Clevenger Richard Wise	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	David Lenkensofer Noel (Bud) Carpenter	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
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TO: THE OFFICIALS OF RANDOLPH COUNTY, INDIANA

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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Randolph County for the year 2008.

STATE BOARD OF ACCOUNTS

October 26, 2009

COUNTY AUDITOR
RANDOLPH COUNTY
AUDIT RESULTS AND COMMENTS

E911 LANDLINE AND WIRELESS FEES COMMINGLED

Currently E911 landline and wireless fees are commingled and combined within the same fund, entitled E911, Fund Number 711.

IC 36-8-16-13 states:

"A county treasurer . . . to whom enhanced emergency telephone system fees are remitted under section 12 of this chapter shall deposit fees in a separate fund. The fund shall be known as the _____ County Emergency Telephone System Fund."

IC 36-8-16.5-21 states:

"(a) The wireless emergency telephone system fund is established for the purpose of creating and maintaining an enhanced wireless 911 system.

(b) The expenses of administering the fund must be paid from money in the fund."

IC 36-8-16.5-22 states:

"The fund consists of the following:

- (1) Service charges assessed on CMRS users in the state under section 25.5 of this chapter.
- (2) Appropriations made by the general assembly.
- (3) Grants and gifts intended for deposit in the fund.
- (4) Interest, premiums, gains, or other earnings on the fund."

APPROVAL OF FORMS

The Auditor purchased and installed the LOW accounting software program, but did not submit the forms and ledgers generated by the accounting applications to the State Board of Accounts for approval.

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)

APPROVAL OF CLAIMS

The Auditor has established a policy of paying all claims on the first and the fifteenth of each month regardless of the date of the Board of County Commissioners meeting (i.e., if the meeting is on the fourth of the month, accounts payable claims are paid on the first, but not approved until the fourth).

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AUDIT RESULTS AND COMMENTS
(Continued)

Ordinance No. 2001-22 was enacted on November 19, 2001, to allow the preapproved or prepayment of 21 categories. The Board of County Commissioners meet every first and third Monday of the month, resulting in categories of claims not specifically listed in the ordinance being paid prior to approval.

In some instances two of the three Commissioners will meet and sign off on the claim allowance docket, resulting in claims not being approved in a public meeting. During our discussion, the Auditor's Accounts Payable Clerk stated she was under the impression that Ordinance No. 2001-22 allowed the prepayment of all claims.

IC 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

IC 36-2-6-4(b) states in part:

"Except as provided in section 4.5 of this chapter, the county executive may allow a claim or order the issuance of a county warrant for payment of a claim only at a regular or special meeting of the executive."

IC 36-2-6-4.5 states:

(a) A county executive may adopt an ordinance allowing money to be disbursed for lawful county purposes under this section.

(b) Notwithstanding IC 5-11-10, with the prior written approval of the board having jurisdiction over the allowance of claims, the county auditor may make claim payments in advance of board allowance for the following kinds of expenses if the county executive has adopted an ordinance under subsection (a):

- (1) Property or services purchased or leased from the United States government, its agencies, or its political subdivisions.
- (2) License or permit fees.
- (3) Insurance premiums.
- (4) Utility payments or utility connection charges.
- (5) General grant programs where advance funding is not prohibited and the contracting party posts sufficient security to cover the amount advanced.
- (6) Grants of state funds authorized by statute.

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AUDIT RESULTS AND COMMENTS
(Continued)

- (7) Maintenance or service agreements.
 - (8) Leases or rental agreements.
 - (9) Bond or coupon payments.
 - (10) Payroll.
 - (11) State or federal taxes.
 - (12) Expenses that must be paid because of emergency circumstances.
 - (13) Expenses described in an ordinance.
- (c) Each payment of expenses under this section must be supported by a fully itemized invoice or bill and certification by the county auditor.
- (d) The county executive or the county board having jurisdiction over the allowance of the claim shall review and allow the claim at its next regular or special meeting following the preapproved payment of the expense."

COUNTY AUDITOR
RANDOLPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 26, 2009, with Richard Wise, President of the County Council; Noel (Bud) Carpenter, President of the Board of County Commissioners; and David B. Kelly, Auditor. The officials concurred with our audit findings.