

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

AUDIT REPORT

OF

COUNTY AUDITOR

WASHINGTON COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
11/19/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sarah Bachman	01-01-07 to 12-31-10
President of the County Council	John D. Fultz Mark Manship	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	Albert M. Goering Lana Sullivan	01-01-08 to 05-07-08 05-08-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WASHINGTON 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Washington County for the year 2008.

STATE BOARD OF ACCOUNTS

November 5, 2009

COUNTY AUDITOR
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The following funds were overdrawn at December 31, 2008:

<u>Fund</u>	<u>Amount</u>
County General	\$ 878,460
Health	179,666
Parks and Recreation	128,409
Family and Children	401,060
Park and Recreation Nonreverting	13,570
Adult Protective Services	9,728
Solid Waste Management	173,692
Indiana Child Care	5,208
Cumulative Bridge	99,264

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)

SUPPORTING DOCUMENTATION

Instances were noted in which claims were paid from a credit card statement and the original receipts or invoices were not attached to support the payment of the claim. Other reimbursements were made without itemized receipts. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

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)

PENALTIES, INTEREST, AND OTHER CHARGES

In some cases, debt payments were not being paid to the financial institutions in accordance with the debt schedules and late fees were being subsequently assessed. Penalties totaling \$584 were paid to various financial institutions during the year 2008 due to debt payments not being paid on time.

It was also noted that finance charges and late fees were being paid on the County credit card and the Parks and Recreation Department credit card.

COUNTY AUDITOR
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

PERSONAL USE OF COUNTY OWNED VEHICLES AND CELL PHONES

County owned vehicles were furnished to some employees to be used for County business and to drive to and from work. The vehicles used were not considered "qualified non-personal use vehicles" as defined by the Internal Revenue Service. The use of the vehicles to commute to and from work is considered personal use and is a taxable fringe benefit. No records were maintained by any of the employees of the personal mileage driven and the taxable fringe benefit was not reported on their W-2's.

County owned cell phones were furnished to some employees and other employees were paid a set amount of their personal cell phone bill for using their cell phone for business purposes. The County does not have a written policy concerning the personal use of the County owned cell phones and the records are not maintained that distinguishes between business use and personal use. Personal use of County owned cell phones is considered a taxable fringe benefit and is to be reported on the employee's W-2's.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit.

Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 5, 2009, with Sarah Bachman, Auditor; Lana Sullivan, President of the Board of County Commissioners; and Mark Manship, President of the County Council. The officials concurred with our findings.