

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

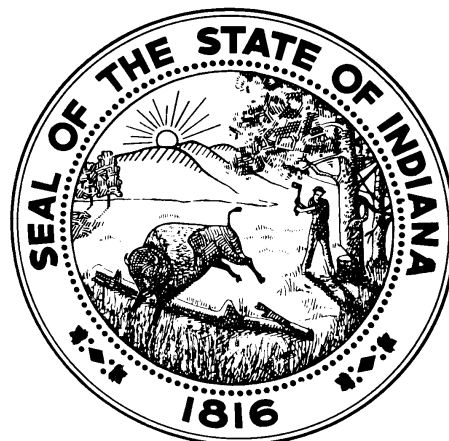
AUDIT REPORT

OF

COUNTY AUDITOR

TIPPECANOE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

12/28/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Correction of Errors	4
Travel Claims.....	5
Advance Payments.....	5
Time Records	5-6
Exit Conference.....	7
Official Response	8

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jennifer Weston	01-01-07 to 12-31-10
President of the County Council	Thomas P. Murtaugh Kevin Underwood	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	Ruth E. Shedd John L. Knochel	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF TIPPECANOE 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 Tippecanoe County for the year 2008.

STATE BOARD OF ACCOUNTS

October 1, 2009

COUNTY AUDITOR
TIPPECANOE COUNTY
AUDIT RESULTS AND COMMENTS

CORRECTION OF ERRORS

Information presented for audit provides numerous instances where Correction of Errors was used to make adjustments to taxpayer records.

1. The Treasurer issued a request to add bad check fees to fourteen key numbers via a memo dated January 22, 2008. Bad check fees charged by the County is not a reason allowed by law for the issuance of a Certificate of Error. Of the items tested, the Treasurer had also issued a Form 133 Petition For Correction of Error. This form is to only be initiated by the taxpayer or on the taxpayer's behalf, by the county auditor or county assessor. The Treasurer has no authority to petition for a Certificate of Error.
2. Certificate of Errors were issued based on Form 133 Petition For Correction of Error, Form 115 Notification of Final Assessment Determination, Form 134 Joint Report by Taxpayer/Assessor to the County Board of Appeals of a Preliminary Informal Hearing, Form 122 Report of Assessment for Omitted or Undervalued Property Assessment and Assessment Penalty. All Certificate of Errors should be issued based on Form 133 Petition For Correction of Error. The Form 133 complies with the requirements of IC 6-1.1-15-12 and requires approval by at least two (2) of the following: the township assessor, the county auditor, and/or the county assessor. The other forms used do not include the require documentation.

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)

IC 6-1.1-15-12 states in part:

". . . a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons: (1) The description of the real property was in error. (2) The assessment was against the wrong person. (3) Taxes on the same property were charged more than one (1) time in the same year. (4) There was a mathematical error in computing the taxes or penalties on the taxes. (5) there was an error in carrying delinquent taxes forward from one (1) tax duplicate to another. (6) The taxes, as a matter of law, were illegal. (7) There was a mathematical error in computing an assessment. (8) Through an error of omission by any state or county officer, the taxpayer was not given credit for an exemption or deduction permitted by law."

IC 6-1.1-15-12.5 states in part:

"(a) If a township assessor determines that the township assessor has made an error concerning: (1) the assessed valuation of property; (2) the name of a taxpayer; or (3) the description of property; in an assessment, the township assessor shall on the township assessor's own initiative correct the error. . . . (b) If a township assessor corrects an error under this section, the township assessor shall give notice of the correction to the taxpayer, the county auditor, and the county board."

COUNTY AUDITOR
TIPPECANOE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

TRAVEL CLAIMS

The following travel claim issues were noted:

One claim for hotel travel expenses for a township assessor for May 14 through May 16, 2008, was not itemized or supported with original receipts.

Numerous mileage claims for the Assessor's office were not well documented. When on-line mapping software was used, it sometimes did not match the mileage claimed or was incomplete.

The County travel policy allows for the use of on-line mapping tools, such as MapQuest to be used to verify distances for the purpose of mileage reimbursement and states that Mileage Claim, General Form 101, needs to be used when submitting claims for mileage. The Assessor stated that the use of the on-line mapping tools is the policy in her office due to the nature of the travel for field reviews.

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 16)

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)

ADVANCE PAYMENTS

Payroll records document a hire date of July 21, 2008, for William R. Jennings. The timesheet submitted for the time period July 16th to July 31st was submitted with two and one-half hours of worked time claimed for July 17, 2008, in advance of Mr. Jennings' hire date.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

TIME RECORDS

Employee time records for William R. Jennings for the time period of August 1st to August 15th, 2008, were not maintained and presented for audit. There is no other evidence that he worked the 42.5 hours claimed.

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 Counties of Indiana, Chapter 1)

COUNTY AUDITOR
TIPPECANOE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

IC 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, 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
TIPPECANOE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 31, 2009, with John L. Knochel, President of the Board of County Commissioners; and Dawn Rivera, Chief Deputy, County Auditor's office. The official response has been made a part of this report and may be found on page 8.



TIPPECANOE COUNTY
AUDITOR

Jennifer Weston

20 N. 3rd Street
Lafayette, Indiana 47901-1214

Phone: 765-423-9207
Fax: 765-423-9354
jweston@tippecanoe.in.gov

October 6, 2009

State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, IN 46204-2769

This letter is in response to the Audit Results and Comments issue by State Board of Accounts in conjunction with Tippecanoe County's audited financial statements for the period ended December 31, 2008.

CORRECTION OF ERRORS

There are currently no prescribed or approved forms by the State Board of Accounts available for the accounting and processing of bad check fees charged by the County. The County used a Correction of Errors form in absence of any other form. Bad check fees will be processed via a letter or memo from the Treasurer instead of a form.

For other corrections, the County is now using a new tax software system as of July 2009, which generates the appropriate form depending on the type of correction needed.

TRAVEL CLAIMS

The Auditor's Office processes over 12,000 claims per year. Travel claims submitted to the Auditor shall be supported by proper documentation or will be returned to the submitting department until complete and accurate.

ADVANCE PAYMENTS

Tippecanoe County has a decentralized payroll system, whereby each department is responsible for entering the time worked and time off work into the payroll system. The Auditor's Office prepares the semi-monthly payroll for check/ACH distribution, monitoring for accuracy on a rotating audit schedule so that a thorough audit is done for each department at least once per year. As of August 2009, all new hire timesheets shall be checked against the hire date to ensure there are no advance payments.

TIME RECORDS

As of August 2009, the Payroll Clerk shall verify that all timesheets for all pay periods have been submitted to the Auditor's Office and maintained by the Auditor's Office for audit. The Department Head and Employee are responsible for certifying the accuracy of the timesheet and providing evidence of the work performed.

Sincerely,



Tippecanoe County Auditor

www.tippecanoe.in.gov/auditor