

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

AUDIT REPORT

OF

COUNTY AUDITOR

NOBLE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



**FILED**

12/31/2009



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Cash and Investment Overdraft.....	4
Capital Assets.....	4
City and Town Court Cost Fund .....	4-5
Funds Ledger Control and Detail Not Reconciled .....	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jacqueline L. Knafel	01-01-07 to 12-31-10
President of the County Council	Harold A. Troyer Donald A. Moore	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	Mark L. Pankop J. Hal Stump	01-01-08 to 12-31-08 01-01-09 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF NOBLE 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 Financial Report of Noble County for the year 2008.

STATE BOARD OF ACCOUNTS

December 16, 2009

COUNTY AUDITOR  
NOBLE COUNTY  
AUDIT RESULTS AND COMMENTS

CASH AND INVESTMENT OVERDRAFT

At December 31, 2008, the following funds had cash and investment overdrafts as follows:

<u>Fund</u>	<u>Amount</u>
Family and Children	\$ 404,792
Clerk's Record Perpetuation	1,921

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

CAPITAL ASSETS

As stated in prior Audit Reports B19362, B21276, B23202, B25358, B27737, B31352, and B31910, there were no capital asset records for the audit period. The capital assets ledger was deleted in 2000 when new software was installed. Additions and deletions to capital assets from that period to date have not been maintained. A complete inventory has not been conducted for all departments of the County for several years.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect 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 of Indiana, Chapter 14)

CITY AND TOWN COURT COST FUND

As stated in prior Audit Reports B31352 and B31910, the County Auditor has not been using the proper percentages to distribute the City and Town Court Cost Fund to the qualifying cities and towns since 2004. The County Auditor calculated the proper percentages in 2008 and is correcting the prior distributions.

COUNTY AUDITOR  
NOBLE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

IC 33-37-7-6 states in part:

"(b) The county auditor shall determine the amount to be distributed to each city and town qualified under subsection (a) as follow:

STEP ONE: Determine the population of the qualified city or town.

STEP TWO: Add the populations of all qualified cities and towns determined under STEP ONE.

STEP THREE: Divide the population of each qualified city and town by the sum determined under STEP TWO.

STEP FOUR: Multiply the result determined under STEP THREE for each qualified city and town by the amount of the qualified municipality share.

(c) 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)."

FUNDS LEDGER CONTROL AND DETAIL NOT RECONCILED

The County Auditor maintains a Funds Ledger detail. The County Treasurer maintains a Funds Ledger control account on the Treasurer's Cash Book and a Funds Ledger detail. The County Auditor's Funds Ledger detail agrees with the County Treasurers Funds Ledger detail but does not agree with the Funds Ledger control account on the Treasurer's Cash Book. The differences between the control account and detail accounts were not reconciled at December 31, 2008.

At all times, the manual and/or 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 Treasurers of Indiana, Chapter 10)

COUNTY AUDITOR  
NOBLE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2009, with Jacqueline L. Knafel, Auditor; and J. Hal Stump, President of the Board of County Commissioners.