

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

AUDIT REPORT
OF
COUNTY AUDITOR
NOBLE COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED
06/01/2010

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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	Donald A. Moore	01-01-09 to 12-31-10
President of the Board of County Commissioners	J. Hal Stump	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2009 to December 31, 2009, 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 2009.

STATE BOARD OF ACCOUNTS

April 26, 2010

COUNTY AUDITOR
NOBLE COUNTY
AUDIT RESULTS AND COMMENTS

CITY AND TOWN COURT COST FUND

As stated in prior Reports B31352, B31910, and B35483, 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.

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)."

CAPITAL ASSETS

As stated in prior Reports B19362, B21276, B23202, B25358, B27737, B31352, B31910, and B35483, 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 capital assets owned which reflect their acquisition value. Such inventory should be recorded on the Capital Assets Ledger 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)

APPROPRIATIONS

The records presented for audit indicated the following funds were expended without appropriation by the County Council:

COUNTY AUDITOR
NOBLE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Fund	Excess Amount Expended
County Extradition	\$ 22,743
Guardian Ad Litem	34,500
Public Defender	8,814
Security Protection Fund	11,841

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CONDITION OF RECORDS

The annual report filed was not reflective of the financial transactions in the County Auditor's Ledger. The annual report was prepared using the computer program provided by the County's financial software vendor. The computer program is supposed to generate the County Annual Report (CAR-1) from the County Auditor's Ledger. The report presented for audit had numerous funds comingled, numerous funds missing, and the ending cash balances did not agree to the County Auditor's Funds Ledger.

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)

CASH AND INVESTMENT OVERDRAFT

At December 31, 2009, the following funds had cash and investment overdrafts as follows:

Fund	Amount
County Rental Account	\$ 93
Prosecutor Stop Grant	7,832
Juvenile Incentive Block Grant	4,441
Self-Insurance	67,630
Tax Sale Surplus	2,095

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)

COUNTY AUDITOR
NOBLE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 26, 2010, with Jacqueline L. Knafel, Auditor; and J. Hal Stump, President of the Board of County Commissioners. The officials concurred with our audit findings.