

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

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



**FILED**  
09/03/2010



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Overdrawn Fund Balances .....	4
Personal Use of County Owned Vehicles and Cell Phones .....	4
Exit Conference.....	5
Official Response .....	6

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	Mark Manship James Day	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the Board of County Commissioners	Lana Sullivan John Mishler	01-01-09 to 12-31-09 01-01-10 to 12-31-10



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF WASHINGTON 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 Report of Washington County for the year 2009.

STATE BOARD OF ACCOUNTS

August 5, 2010

COUNTY AUDITOR  
WASHINGTON COUNTY  
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The following funds were overdrawn on December 31, 2009:

<u>Fund</u>	<u>Amount</u>
Adult Protective Services	\$ 7,404
Park and Recreation Non-Reverting	65,993
Parks and Recreation	55,186
HEA 1001-2008 Homestead Credit	1,024

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)

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.

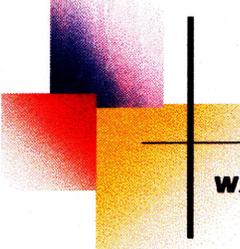
Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit.

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 August 5, 2010, with Sarah Bachman, Auditor; John Mishler, President of the Board of County Commissioners; and James Day, President of the County Council. The official response has been made a part of this report and may be found on pages 6.



**WASHINGTON COUNTY AUDITORS OFFICE**

August 5, 2011

**“OFFICIAL RESPONSE”**

The County Auditor will start keeping records on the County owned vehicles and will implement a plan starting January 1, 2011.

*Sarah Bachman*

Sarah Bachman,  
Washington County Auditor

*John Mishler*

John Mishler,  
President, Board of Washington County Commissioners

*Jim Day*

Jim Day,  
President, Washington County Council

Sarah Bachman, Auditor  
99 Public Square  
Suite 103  
Salem, Indiana 47167

Phone: 812-883-4805  
Fax: 812-883-7320  
E-mail: [auditor@washingtoncountyindiana.com](mailto:auditor@washingtoncountyindiana.com)