

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

AUDIT REPORT

OF

COUNTY AUDITOR

PUTNAM COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED

09/21/2010

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Stephanie Campbell	01-01-09 to 12-31-12
President of the County Council	Mitchell Proctor Darrel L. Thomas	01-01-09 to 12-31-09 01-01 10 to 12-31-10
President of the Board of County Commissioners	Gene Beck	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PUTNAM 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 Putnam County for the year 2009.

STATE BOARD OF ACCOUNTS

August 12, 2010

COUNTY AUDITOR
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS

FUND SOURCES AND USES

As reported in the prior Report B35529, funds were disbursed from the Hazardous Waste Fund to Operation Life in the amount of \$80,000 to pay the 2009 annual contract for County ambulance services. Officials were advised to repay disbursed funds to the Hazardous Waste Fund.

IC 6-6-6.6-3(b) identifies the following purposes of hazardous waste revenue which states:

"Except as provided in subsection (e), and subject to subsection (f), the revenue paid over to the county under subsection (a) shall be deposited in a separate fund established by the county for the purposes of the following:

- (1) Establishing monitoring wells on land near the site of the disposal facility.
- (2) Analyzing samples from the monitoring wells established under subdivision (1).
- (3) Conducting other types of testing and surveillance for hazardous waste contamination of land near the disposal facility.
- (4) Providing training for county and local public health and public safety officers in the proper procedures for dealing with emergencies involving hazardous substances or hazardous waste.
- (5) Providing special clothing and equipment needed by county and local public health and public safety officers for dealing with emergencies involving hazardous substances or hazardous waste.
- (6) Funding research on alternatives to land disposal as a means of eliminating hazardous waste.
- (7) Paying the cost of hazardous waste, hazardous substance, or solid waste removal and remedial action at a site located within the county.
- (8) Meeting the county's requirements under IC 13-21 for the planning and implementation of a solid waste management district plan.
- (9) Paying the costs associated with the construction or rehabilitation of a facility used for training described in subdivision (4).
- (10) Paying the costs associated with any other project that has identifiable environmental benefits.
- (11) Paying the costs associated with the construction, structural rehabilitation, and equipment of a facility used for either of the following purposes:
 - (A) A county public safety central dispatch.
 - (B) A county emergency operations center."

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY AUDITOR
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

E-911 FEES

As stated in prior Report B35529, County wireless emergency telephone system funds were receipted to the same fund as landline fees.

IC 36-8-16.5-43 states:

"The distribution of wireless emergency enhanced 911 funds by the board for cost recovery by PSAPs under section 39 of this chapter must be deposited by the county treasurer in a separate fund set aside for the purposes allowed by section 41 of this chapter. The fund must be known as the _____ (insert name of county) wireless emergency telephone system fund. The county treasurer may invest money in the fund in the same manner that other money of the county may be invested, but income earned from the investment must be deposited in the fund set aside under this section."

OVERDRAWN FUND BALANCES

At December 31, 2009, the following funds had overdrawn fund balances:

<u>Fund</u>	<u>Amount</u>
Local Emergency Planning	\$ 5,293
Phoenix Community Correction	7,130
Hazmat Technical Rescue Classes	1,806
District 7 NFA/ISO	400
State Withholding	125,834
Fica	6,848
Perf	88
Vision Insurance	201
Life Insurance Withholding	1,566
Aflac	3,798
Tax Distribution	1,008
Cagit Local Withholding Tax	54,441

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)

ACCOUNTING RECORDS

Several posting errors were made in the County's accounting records:

- (1) Errors identified in the prior two audits including duplicate disbursement postings to State and CAGIT withholding accounts totaling \$95,217 and \$41,281, respectively, remained uncorrected at December 31, 2009.

COUNTY AUDITOR
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (2) Reconcilements were not made between the Treasurer's Monthly Financial Statement, Form 61, and the Auditor's Monthly Financial Statement, Form 61. On December 31, 2009, the Treasurer's records had a total funds ledger balance \$173,587 greater than the Auditor's Ledger total fund balance.

At all times, the manual and 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 Auditors of Indiana, Chapter 14)

CAPITAL ASSETS

Capital asset records were being maintained by the County; however, they have not been updated since 2005.

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)

TAX SALE REDEMPTION FUND RECONCILEMENT

As reported in the prior two Reports B32721 and B35529, the Tax Sale Redemption Fund had not been reconciled for years resulting in a December 31, 2008 balance of (\$10,126). The balance was created by posting errors not being discovered in a timely manner because the reconcilements were not made between the subsidiary ledgers and the control account. An overpayment of \$1,699, made in 2003 was identified in a prior audit and the vendor has been contacted to obtain reimbursement. The remaining difference of \$8,427 is unidentified. The December 31, 2009 fund balance was \$6,217 due to receipts from the tax sale held in 2009. Should all properties sold be redeemed, the balance would revert to the (\$10,126).

At all times, the manual and 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 Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2010, with Stephanie Campbell, Auditor; Kristina Warren, member of the Board of County Commissioners; and Darrel L. Thomas, President of the County Council. The officials concurred with our audit findings.