

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

AUDIT REPORT

OF

COUNTY AUDITOR

BOONE COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED

09/22/2010

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Melody Price	01-01-09 to 12-31-12
President of the County Council	Steve Jacob	01-01-09 to 12-31-10
President of the Board of County Commissioners	Harold "Huck" Lewis Marc Applegate Charles Eaton	01-01-09 to 05-23-09 05-54-09 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF BOONE 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 Boone County for the year 2009.

STATE BOARD OF ACCOUNTS

May 18, 2010

COUNTY AUDITOR
BOONE COUNTY
AUDIT RESULTS AND COMMENTS

EXCESS (SURPLUS) TAX

The following deficiencies relating to the recordkeeping were present during our period of audit:

- (1) Individual excess (surplus) tax records are kept as a subsidiary record to the county auditor's funds ledger. The ledger currently reconciles with the bank, but the subsidiary records do not agree to the ledger. Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control account. Several check runs had not been posted to the subsidiary ledgers. We found a difference of \$114,833.56 at December 31, 2009, where the subsidiary records were more than the control account.
- (2) Unclaimed excess (surplus) tax items totaling \$481,303.61 had been on hand for at least three years.

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, Chapter 14)

IC 6-1.1-26-6 states in part:

". . . (c) If an excess payment is not claimed within the three (3) year period after November 10 of the year in which the payment was made and the county treasurer has given the written notice required under subsection (d), the county auditor shall transfer the excess from the surplus tax fund into the general fund of the county. If the county treasurer has given written notice concerning the excess under subsection (d), the excess may not be refunded under subsection (a) after the expiration of that three (3) year time period.

(d) This subsection applies only if the amount of an excess payment is more than five dollars (\$5) and exceeds the amount applied under subsection (a) to property taxes that are delinquent at the time that the excess payment is transferred to the surplus tax fund. Not later than forty-five (45) days after receiving the notification from the county auditor under subsection (b), the county treasurer shall give the taxpayer who made the excess payment written notice that the taxpayer may be entitled to a refund. The notice shall be mailed to the last known address of the taxpayer as listed on the tax duplicate or the most current record of the county treasurer. The notice must contain at least the following information:

- (1) A statement that the taxpayer may be entitled to a refund because the taxpayer made an excess payment.
- (2) The amount of the refund.
- (3) Instructions on how to claim the refund.
- (4) The date before which the refund must be claimed under subsection (c).
- (5) An explanation that the amount of the refund will be reduced by any amount applied to property taxes that are delinquent."

COUNTY AUDITOR
BOONE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

SUBSIDIARY LEDGERS - DRAINAGE MAINTENANCE

Posting to the Drainage Maintenance subsidiary ledger was not up to date. As of March 17, 2010, there were no postings for 2009.

Every receipt and every disbursement posted to Drainage Maintenance Fund in the general ledger must be posted to an appropriate account in the Subsidiary Ledger and to the control kept on the same form. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 4)

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 Public Drainage Funds, Chapter 1)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Three disbursements did not have a voucher or claim prepared for the expenditure. However, documentation was supplied to support the expense.

Without this there was no way to verify approval of invoice by person receiving goods or services; whether invoice is filed with the governmental entity's fiscal officer; if payment for the invoice is true and correct; and if the payment is allowed by the governmental legislative body.

IC 5-11-10-1.6(c) states:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

COUNTY AUDITOR
BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2010, with Melody Price, Auditor; Charles Eaton, President of the Board of County Commissioners; and Steve Jacob, President of the County Council.