

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

AUDIT REPORT
OF
COUNTY AUDITOR
HOWARD COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED
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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Ann Wells	01-01-09 to 12-31-12
President of the County Council	Richard Miller	01-01-10 to 12-31-11
President of the Board of County Commissioners	David Trine Tyler Moore	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HOWARD COUNTY

We have audited the records of the County Auditor for the period from January 1, 2010 to December 31, 2010, 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 Result(s) and Comment(s). The financial transactions of this office are reflected in the Annual Report of Howard County for the year 2010.

STATE BOARD OF ACCOUNTS

June 8, 2011

COUNTY AUDITOR
HOWARD COUNTY
AUDIT RESULT(S) AND COMMENT(S)

ARRA FUNDS COMINGLED

Howard County did not comply with the special tests and provisions compliance requirements related to the accounting records for the Highway Planning and Construction grant. These provisions required ARRA funds to be accounted for in a fund separate from non-ARRA funds. A test of this requirement determined that for the federal program for Highway Planning and Construction from the U.S. Department of Transportation, ARRA receipts and disbursements were comingled with non-ARRA funds in the accounting records. Records indicate that ARRA revenues were deposited to and expenditures were paid from the Local Road and Street fund.

2CFR 176.210(a) states in part:

"To maximize the transparency and accountability authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5) (Recovery Act) . . . recipients agree to maintain records that identify adequately the source and application of Recovery Act funds."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

LATE SUBMISSION OF THE REPORTING PACKAGE TO THE FEDERAL AUDIT CLEARINGHOUSE

The Federal reporting deadline for the County's Single Audit Reporting Package was September 30, 2010, for 2009, and September 30, 2009, for 2008; however, the County did not issue its Single Audit Reporting Package until October 28, 2010, for either year. In addition, the County's federal oversight agency, U.S. Department of Health and Human Services, did not approve an extension for late submission of the 2009 or 2008 Single Audit Reporting Package. The Single Audit Reporting Package was considered late because the County did not certify their report to the Federal Audit Clearinghouse before the nine-month deadline.

The Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Subpart C, § 320(a) states in part:

"General. The audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. . . ."

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
HOWARD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 8, 2011, with Ann Wells, Auditor; Tyler Moore, President of the Board of County Commissioners; and Richard Miller, President of the County Council. The officials concurred with our audit findings.