

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

AUDIT REPORT

OF

COUNTY AUDITOR

MIAMI COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED

08/23/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result(s) and Comment(s):	
Appropriations.....	4
Federal and State Agencies – Compliance Requirements	4
Capital Assets.....	5
Exit Conference.....	6
Official Response	7

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jane E. Lilley	01-01-09 to 12-31-12
President of the County Council	Ralph Duckwall	01-01-10 to 12-31-12
President of the Board of County Commissioners	Greg Deeds Craig Boyer	01-01-10 to 12-31-10 01-01-11 to 12-31-11



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

TO: THE OFFICIALS OF MIAMI 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 Miami County for the year 2010.

STATE BOARD OF ACCOUNTS

May 19, 2011

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

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
General	\$ 122,738
Plat Book	18,452
Prosecutor's Deferral	6,173
County Correction	5,632
Surveyor's Corner Perpetuation	1,043
Clerk's Records Perpetuation	16,969

Indiana Code 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."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The County has received federal grant money under a federal program entitled "ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories." The County, acting as a pass-through entity, passed 100 percent of the funding through to Indiana Drug Enforcement Association (IDEA) Inc., a subrecipient. Title 31, section 7502(f)(2) of the U.S. Code contains guidelines for pass-through entities to follow. These guidelines require the County to monitor the grant activity in the hands of their subrecipients. The County did not properly monitor IDEA. The County did not enter into a written subrecipient agreement with IDEA that outlines the IDEA's responsibilities to the County, including the requirement to comply with OMB Circular A-133 and the single audit act. The County did not provide IDEA with the program name and the Catalog of Federal Domestic Assistance (CFDA) number for the grant program. The County did not have copies of all of the quarterly reports required by the grant agreement and filed by IDEA with the state pass through agency. County officials did not maintain checklists or calendars with reminders to ensure that the County was aware of subrecipient reporting and audit deadlines.

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. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
MIAMI COUNTY
AUDIT RESULT(S) AND COMMENT(S)
(Continued)

CAPITAL ASSETS

The County's capital asset records were not current as of December 31, 2010. The records did not include the cost of the County's new jail facility which was completed and occupied in early 2010.

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, Chapter 20)

COUNTY AUDITOR
MIAMI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 19, 2011, with Jane E. Lilley, Auditor; Craig Boyer, President of the Board of County Commissioners; and Ralph Duckwall, President of the County Council. The official response has been made a part of this report and may be found on page 7.

MIAMI COUNTY AUDITOR
JANE LILLEY
25 NORTH BROADWAY
PERU IN 46970
(765) 472-3901 (765)472-1412

5/23/11
RESPONSE TO FINDINGS

During the budget process, we worked with the State on the funding for our County General fund and after some discussion; we were told that we had enough money to cover the approved budgets. Miami County was not advised, nor did we realize that we needed to go through the addition appropriation process for the \$122,738.

We have put a process in place to monitor expenditures from funds being spent without an appropriation. Each department will be required to prepare a budget for any additional funds outside of county general for all expenditures. If there is not enough money appropriated or if the department did not turn in a budget, they will be required to request from the council an additional appropriation.

The Miami County Auditor has a corrective action plan in place to address the issue with Federal Grant.

The Miami County Auditor has put a new procedure in place to correct the Capital Assets Records to make sure they are up to date.