

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

EXAMINATION REPORT
OF
COUNTY AUDITOR
TIPTON COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED

11/03/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Suzanne Alexander Amanda Inman	01-01-07 to 12-31-10 01-01-11 to 12-31-11
President of the County Council	Brad Nichols Madonna Alderson	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Ken Ziegler Mike Cline	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
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TO: THE OFFICIALS OF TIPTON COUNTY

We have examined 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Tipton County for the year 2010.

STATE BOARD OF ACCOUNTS

August 22, 2011

COUNTY AUDITOR
TIPTON COUNTY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The following conditions existed regarding the Annual Report submitted to the State Board of Accounts:

1. The Annual Report did not accurately reflect the financial transactions of the County. All departmental funds were not included in the annual report, totaling \$1,434,221. In addition, various funds ending cash and investment balances did not agree with the ledger cash and investment balances; they were not accurately inputted into the Annual Report.
2. The Annual Report was filed with the State Board of Accounts on May 12, 2011.

Indiana Code 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner no later than sixty (60) days after the close of each fiscal year."

SUPPORTING DOCUMENTATION

Some claims for reimbursements made to Gayle Van Sessen, Executive Director of the Tipton County Economic Development Corporation, for expenses incurred by her did not have adequate supporting documentation, such as receipts, invoices, and other public records. Most reimbursements made to her were based upon copies of receipts or credit card summaries which only detailed the vendor and the total amount of the credit card charge. Some receipts for meals did not contain adequate documentation as to what was purchased. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

FUND FOR E911 FEES

Fees (commonly known as E911 fees) are received for the enhanced emergency telephone system and the enhanced wireless emergency telephone service. The county is to maintain these fees in a separate fund. As noted in prior Report B37985, we found that revenues from both enhanced emergency telephone system and enhanced wireless emergency telephone service were receipted to separate funds, but then transferred to a Joint Dispatch Center fund which combined the two fees into one fund that accounts for the E911 fees. The Joint Dispatch Center fund is also funded by contributions from the City of Tipton and Tipton County. Not maintaining a separate fund for these fees results in an internal control weakness over the ability to ensure that the fees are expended as required by statute. We recommend that the E911 fees be maintained in a separate fund.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 6)

COUNTY AUDITOR
TIPTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 36-8-16-13 states:

"A county treasurer or municipal fiscal officer to whom enhanced emergency telephone system fees are remitted under section 12 of this chapter shall deposit the fees in a separate fund. The fund shall be known as the Tipton County emergency telephone system fund. The county treasurer or municipal fiscal officer may invest money in the fund in the same manner that other money of the county or municipality may be invested. The county treasurer or municipal fiscal officer shall deposit any income earned from such an investment in the fund."

Indiana Code 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 Tipton 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."

E 911 EXPENDITURE EXCEPTION TO COMPLIANCE WITH STATUTORY REQUIREMENT

Indiana Code 36-8-16 and 36-8-16.5 establish guidelines for expenditures of E911 fees. During our examination of these fees, we found expenditures to be in noncompliance as follows, items which were noted in previous examination Report B37986:

Description	2010
Supplies - Office	\$ 4,297.62
E911 Logo Shirts	516.50
Pest Control	300.00
Postage	58.59
Internet	997.45
Non E911 Equipment	710.00
Cell Phone Reimbursements	803.31
Total	\$ 7,683.47

Indiana Code 36-8-16-14(a) states:

"The emergency telephone system fees shall be used only to pay for:

- (1) the lease, purchase, or maintenance of enhanced emergency telephone equipment, including necessary computer hardware, software, and data base provisioning;
- (2) the rates associated with the service suppliers' enhanced emergency telephone system network services;

COUNTY AUDITOR
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EXAMINATION RESULTS AND COMMENTS
(Continued)

- (3) the personnel expenses of the emergency telephone system;
- (4) the lease, purchase, construction, or maintenance of voice and data communications equipment, communications infrastructure, or other information technology necessary to provide emergency response services under authority of the unit imposing the fee; and
- (5) an emergency telephone notification system under IC 36-8-21.

The legislative body of the unit may appropriate money in the fund only for such an expenditure."

Indiana Code 36-8-16.5-41(a) states:

"A PSAP shall use its distribution made under section 39 of this chapter for the lease, purchase, or maintenance of wireless enhanced emergency telephone equipment, including:

- (1) necessary computer hardware, software, and data base equipment;
- (2) personnel expense and training;
- (3) the provision of wireless enhanced emergency service; or
- (4) educating consumers about the operations, limitations, role, and responsible use of enhanced 911 service."

COUNTY AUDITOR
TIPTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2011, with Suzanne Alexander, former Auditor. The official concurred with our examination findings.

The contents of this report were discussed on September 12, 2011, with Amanda Inman, Auditor. The official concurred with our examination findings.

The contents of this report were discussed on September 20, 2011, with Mike Cline, President of the Board of County Commissioners, and Madonna Alderson, President of the County Council. The officials concurred with our examination findings.