

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

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



FILED

11/18/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Nancy J. Steiner	01-01-09 to 12-31-12
President of the County Council	C. Richard Summers	01-01-10 to 12-31-11
President of the Board of County Commissioners	Paul R. George	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MARTIN 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 Martin County for the year 2010.

STATE BOARD OF ACCOUNTS

August 16, 2011

COUNTY AUDITOR
MARTIN COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

Fund	Year	Excess Amount Expended
County Economic Development		
Income Tax	2010	\$ 30,325
Riverboat	2010	28,947

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."

ERRORS ON CLAIMS

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

1. Claims were not prepared or retained for audit for all disbursements.
2. All claims did not have board approval.

Indiana Code 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."

EXCESS BALANCE ON LICENSE EXCISE TAXES

As of December 31, 2010, the balance of license excise taxes on the Treasurer's cash book was \$4,858.03 more than what was to be disbursed on the subsequent tax settlement to individual governmental units. The balance at July 7, 2010, after the spring settlement, was \$4,764.93 more than what was to be disbursed on the subsequent tax settlement. The Auditor's office has quietused too much money to the Treasurer's office for disbursement of license excise taxes, thus causing the Treasurer's cash book to be overstated for this account.

COUNTY AUDITOR
MARTIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

At the time of each semiannual tax settlement the county treasurer shall report such tax collections, together with the auto rental excise tax and aircraft license excise tax collections discussed in this section, on County Form No. 49TC, county treasurer's certificate of tax collections, and the total shown by the auditor's records shall be verified with the treasurer's certificate before distribution is made. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 9).

LEAVE AND OVERTIME POLICY

A compensatory leave/overtime policy was presented for examination; however this policy was unclear as to when compensatory leave must be taken or as to the maximum of compensatory leave that may be earned by each individual. The lack of clarity on the policy leaves the county with numerous employees having excessively large compensatory leave balances and a potential liability of amounts owed to employees upon retirement.

Each governmental unit should adopt written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing board would be considered as written policy. The policy should conform to the requirements of all state and federal regulatory agencies. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

A list of employees was not certified to the County Treasurer during 2010.

Indiana Code 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

OFFICIAL BONDS

The following deficiencies were noted on official bonds during the examination period:

1. The County Recorder does not have an individual bond filed in the Office of the Clerk of the Circuit Court.
2. The elected officials do have coverage within a blanket bond; however, the amounts are not sufficient.

COUNTY AUDITOR
MARTIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision who is required under section 18 of this chapter to file an official bond for the faithful performance of duty, except the county recorder and deputies, and employees of the recorder, shall file the bond in the office of the county recorder. . . . The county recorder and deputies and employees of the recorder shall file their bonds in the office of the clerk of the circuit court."

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any)."

Indiana Code 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount of annual coverage must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount of annual coverage may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount of annual coverage for the officer or employee. County auditors shall file bonds that provide annual coverage of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of annual coverage of the bond of another person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand (\$15,000)."

COUNTY AUDITOR
MARTIN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

TRAVEL POLICY

The following deficiencies were noted during the review of travel claims:

1. A travel policy was not presented for examination.
2. Reimbursement for hotel/motel room costs and meals in which there were no invoices attached to the claims.
3. Reimbursement for meal costs that included alcohol purchases.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Purchases of alcoholic beverages may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY AUDITOR
MARTIN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 16, 2011, with Nancy J. Steiner, Auditor; Paul R. George, President of the Board of County Commissioners; and C. Richard Summers, President of the County Council. The officials concurred with our examination findings.