

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

AUDIT REPORT
OF
COUNTY AUDITOR
DUBOIS COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
05/31/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kathleen M. Hopf	01-01-11 to 12-31-14
President of the County Council	Lawrence M. Vollmer	01-01-11 to 12-31-12
President of the Board of County Commissioners	Gregory A. Kendall	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DUBOIS COUNTY

We have audited the records of the Auditor for the period from January 1, 2011 to December 31, 2011, 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 Dubois County for the year 2011.

STATE BOARD OF ACCOUNTS

March 27, 2012

COUNTY AUDITOR
DUBOIS COUNTY
AUDIT RESULTS AND COMMENTS

ADVANCE PAYMENTS

During the testing of payroll, it was noted that the County follows a payroll schedule for 26 payrolls in the calendar year. In 2011, the County paid the last payroll of the year, pay period of December 18 through December 31, on December 29. The closing date for the payroll to be submitted to the auditor's office was December 27, 2011.

This payroll procedure results in the hourly and salaried employees being paid in advance of the hours worked for the last four days of the calendar year.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

INTERNAL CONTROLS - FEDERAL PROGRAMS

The following deficiencies were noted in internal controls for federal programs:

1. Controls over the reimbursement procedures for Highway Planning & Construction grant were not properly executed. The reimbursement requests were filed prior to the actual expenditure being made by the County.
2. Controls over the reimbursement procedures for CDBG grant were not properly executed. The reimbursement requests were filed prior to the actual expenditure being made by the County.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Federal and State Agencies – Compliance Requirements

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 of Indiana, Chapter 14)

24 CFR 85.21 (b) states: "Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasurer Regulations at 31 CFR 205."

49 CFR 85.21 (b) states: "Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasurer Regulations at 31 CFR 205."

31 CFR 205.12 (b)(5) states: "Reimbursable funding means that a Federal Program Agency Transfers Federal funds to a State after the State has already paid out the funds for Federal assistance program purposes."

COUNTY AUDITOR
DUBOIS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 27, 2012, with Kathleen M. Hopf, Auditor; Gregory A. Kendall, President of the County Council; and Lawrence M. Vollmer, President of the Board of County Commissioners. The officials concurred with our audit findings.