

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

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



FILED
08/22/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Roger A. Bainbridge	01-01-11 to 12-31-14
President of the County Council	James E. McWhirt	01-01-11 to 12-31-12
President of the Board of County Commissioners	Mark E. Bardsley	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF GRANT COUNTY

We have audited the records of the County 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 Grant County for the year 2011.

STATE BOARD OF ACCOUNTS

July 25, 2012

COUNTY AUDITOR
GRANT COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

The County filed their annual report with the State Board of Accounts on March 13, 2012, which is not within 60 days after the close of the fiscal year as required by law. A similar comment appeared in prior Report B38940.

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 not later than sixty (60) days after the close of each fiscal year."

APPROPRIATIONS

The Reassessment Fund expenditures exceeded budgeted appropriations by \$29,299. A similar comment appeared in prior Report B38940.

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."

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn at December 31, 2011:

Fund	Amount
JEAN Team	\$ 6,299
Adult Drug Court Discretionary	7,969
Tobacco Trust	15
Aggressive Driving Grant	708
CJC Re-Entry Court	10,782

A similar comment appeared in prior Report B38940.

These funds are reimbursement type grants; however, reimbursement requests are not being filed in a timely manner.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

RECORD INFORMATION

Quietuses and checks were not always posted to the ledger on the date issued. Some correcting entries were dated the date of the original transaction rather than the date the correction was made. A similar comment appeared in prior Report B38940.

COUNTY AUDITOR
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

INTERNAL CONTROLS

The computerized accounting system does not adequately allow transactions to be traced from reports back to an original source document. The system allows backdating of source documents.

The computerized system does not, but should, identify reprinted receipts as copies. If copies of previously issued receipts cannot be distinguished from original receipts, it may be difficult to identify instances where customers were provided with copies of receipts previously issued to other customers. This could result in the failure to identify instances where funds were never entered into the accounting system or deposited.

The accounting system does not, but should, require a receipt to be posted prior to being printed. This will help ensure that all receipts are posted to the system and all funds can be accounted for. Until the system is modified, it may be difficult to identify instances where customers were provide with receipts but funds were never posted to the accounting system or deposited. A similar comment appeared in prior Report B38940.

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 objections, 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.

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 of Indiana, Chapter 14)

***SURPLUS TAX FUND AND TAX CERTIFICATE SALE REDEMPTION
FUND - RECONCILIATION OF SUBSIDIARY LEDGERS***

Reconcilements were not made between the Surplus Tax Fund Ledger (subsidiary ledgers) and Surplus Tax Fund (control account) at December 31, 2011. The Surplus Tax Fund Ledger lists in detail by taxing district each item of surplus tax collected, the total of which shall be receipted into the Surplus Tax Fund. Reconcilements were not made between the Tax Certificate Sale Redemption Fund Ledger (subsidiary ledgers) and Tax Certificate Sale Redemption Fund (control account) at December 31, 2011. A similar comment appeared in prior Report B38940.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

Capital assets records were not properly maintained. Not all additions and deletions were recorded during the audit period. A similar comment appeared in prior Report B38940.

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 of Indiana, Chapter 14)

COUNTY AUDITOR
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2012, with Roger A. Bainbridge, Auditor.

The contents of this report were discussed on July 25, 2012, with Mark E. Bardsley, President of the Board of County Commissioners; and James E. McWhirt, President of the County Council. The officials concurred with our audit findings.