

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

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



**FILED**  
09/06/2012



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Darin Coddington	01-01-11 to 12-31-14
President of the County Council	Ted Heavrin	01-01-11 to 12-31-12
President of the Board of County Commissioners	Mark Seabrook Stephen Bush	01-01-11 to 12-31-11 01-01-12 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FLOYD 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 Floyd County for the year 2011.

STATE BOARD OF ACCOUNTS

July 25, 2012

COUNTY AUDITOR  
AUDIT RESULTS AND COMMENTS

**BOARD MINUTES**

Not all minutes of meetings of the Board of County Commissioners and the County Council were available for audit. Minutes were not always written in such a manner that the reader could determine what actions had actually been taken.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

**LAW ENFORCEMENT CONTINUING EDUCATION FEES**

Law Enforcement Continuing Education Fees have not been claimed by all of the various law enforcement agencies operating within Floyd County. Disbursements to local law enforcements agencies for the year 2011 totaled \$20,601. The money in excess of one hundred dollars that was unencumbered and remained in the County Local Law Enforcement Training Fund at year-end has not been remitted to the State Law Enforcement Training fund established under Indiana Code 5-2-1-13(b). Law Enforcement Continuing Education Fees deposited in the County Local Law Enforcement Training Fund for 2011 totaled \$31,315. The balance in the Fund at December 31, 2011, was \$78,947.

Indiana Code 5-2-8-1(e) states:

"Money in excess of one hundred dollars (\$100) that is unencumbered and remains in a county law enforcement continuing education fund for at least one (1) entire calendar year from the date of its deposit shall, at the end of a county's fiscal year, be deposited by the county auditor in the law enforcement training fund established under IC 5-2-1-13(b)."

**OLD OUTSTANDING CHECKS (WARRANTS)**

Our review of the bank reconcilements as of December 31, 2011, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

COUNTY AUDITOR  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board: (1) of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

***ANNUAL FINANCIAL REPORT***

The Annual Financial Report was filed by the due date of February 29, 2012; however, the report was not completed. There were no receipts or disbursements entered for some of the funds and the beginning balances did not agree with the prior year report. Some of the outside departments of the County were not reported. Therefore, the electronic annual report submitted did not accurately reflect all of the financial activity of the County for 2011.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. 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. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
AUDIT RESULTS AND COMMENTS  
(Continued)

***RECEIPT ISSUANCE AND RECORDING***

In several instances, receipts were not issued nor were the amounts posted to the records until several months after the deposit of the funds in the County bank accounts. Throughout the year, the Auditor of the State of Indiana electronically deposits money into the County bank accounts for specific purposes to be posted to specific funds. It is the duty of the County Auditor to determine the proper fund to be credited and to post the receipt of these monies to the appropriate fund.

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)

COUNTY AUDITOR  
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2012, with Darin Coddington, Auditor. The official concurred with our audit findings.

The contents of this report were also discussed on July 25, 2012, with Stephen Bush, President of the Board of County Commissioners, and Ted Heavrin, President of the County Council.