

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

EXAMINATION REPORT
OF
COUNTY AUDITOR
GREENE COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
10/24/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Matthew Baker	01-01-11 to 12-31-14
President of the County Council	John Wilkes W. Edward Cullison	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	Steve Lindsey	01-01-11 to 12-31-12



STATE OF INDIANA
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TO: THE OFFICIALS OF GREENE COUNTY

We have examined the records of the County Auditor's Office 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Greene County for the year 2011.

STATE BOARD OF ACCOUNTS

September 12, 2012

COUNTY AUDITOR
GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

Community Correction employees received payments for 2011 which were not included in the salary ordinance or resolution. Portions of the salaries which were received by Probation Department employees were not included in the salary ordinance. The rates of pay for part-time employees in the Ambulance Department were approved by the Common Council in February of 2010 but no ordinance was ever passed.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

PERSONNEL POLICY

The County has a policy concerning employee benefits. In reference to sick leave the policy states: "Employees having (240) or more hours on December 31, 2010 shall retain such accrued hours and carry over to calendar year 2011. Such employees shall use all hours above 240 hours before earning any additional hours. Once the accrued hours are below 240 hours such employees shall begin earning 4 hours per month, and shall not carry over more than 240 hours to the next calendar year." It was noted that employees with over 240 hours accrued were still earning additional sick time during 2011. Also, the guidelines for accruing and using compensatory time were not being followed. The County Commissioners and the elected officials/department heads did not enforce the policy as adopted.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

INTERNAL REVENUE SERVICE AUDIT

An audit was conducted by the Internal Revenue Service of Greene County in November of 2010. The audit found the County had not properly been reporting some employee fringe benefits on W-2s. Additional tax of \$8,996 was charged to the County. This amount was paid on November 29, 2010, to the US Treasury. Additionally, it was discovered that W-9s were not on file for all vendors; therefore, 1099s were not filed for required vendors. Additional tax of \$79,848 was charged to the County. This amount was paid on November 29, 2010, to the US Treasury.

COUNTY AUDITOR
GREENE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Currently, the County has hired the services of a Certified Public Accountant to file the required paperwork and request refunds of the additional taxes. As of July 23, 2012, the County has not been charged any penalties or interest associated with the additional taxes assessed.

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. (Accounting and Uniform Compliance Guidelines Manual for Auditors of Indiana, Chapter 14)

CAPITAL ASSET SCHEDULE

The Capital Asset Schedule contained in the examination report is not materially correct. Each department submitted an inventory at year end on the Capital Asset Ledger, Form 146; however, a break-down of the asset classification was not maintained in order to compile adequate information for the schedule.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year 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)

OVERDRAWN CASH BALANCES

The cash balance of the Tax Sale Redemption Fund, HEA 1001 State Homestead Credit, Community Corrections 06/07 Fund and Health Insurance Fund were overdrawn in 2011.

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)

COUNTY AUDITOR
GREENE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2012, with Steve Lindsey, President of the Board of County Commissioners; W. Edward Cullison, President of County Council; and Matthew Baker, Auditor. The officials concurred with our findings.