

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

AUDIT REPORT

OF

COUNTY AUDITOR

BOONE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
10/31/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Melody Price	01-01-09 to 12-31-12
President of the County Council	Steve Jacob	01-01-11 to 12-31-12
President of the Board of County Commissioners	Jeff Wolfe Marc Applegate	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF BOONE 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 Boone County for the year 2011.

STATE BOARD OF ACCOUNTS

August 6, 2012

COUNTY AUDITOR
BOONE COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

The computerized County Annual Report was prepared by the County Auditor and submitted to the State Board of Accounts by the deadline. However, the report contained errors that resulted in a material overstatement of cash balance for December 31, 2011. A portion of the cash and investment balances were doubled, causing an overstatement of more than \$2.4 million. Additionally, receipt and disbursement activity was not accurately reported causing an understatement of more than \$300,000. The net effect of these errors is an overstatement of the cash balance at December 31, 2011, in the amount of \$2,059,380.

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."

RECONCILIATION OF SUBSIDIARY LEDGERS - SURPLUS TAX

Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control account. Disbursements in the amount of \$22,922.84 for the month of August 2011 were not posted to the subsidiary ledger.

At all times, the manual and 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 Counties, Chapter 1)

RECONCILIATION OF SUBSIDIARY LEDGERS - DRAIN FUNDS

Postings to the Drainage Maintenance and Drain Improvement subsidiary ledgers were not up to date. As of August 6, 2012, there were no postings for 2011.

Every receipt and every disbursement posted to Drainage Maintenance Fund in the general ledger must be posted to an appropriate account in the Subsidiary Ledger and to the control kept on the same form. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 4)

COUNTY AUDITOR
BOONE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and 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 Public Drainage Funds, Chapter 1)

PENALTIES, INTEREST, AND OTHER CHARGES

The County remitted local, state, and federal payroll taxes late. The delinquent taxes resulted in the State issuing a tax warrant against the County. Penalties, interest, and other charges totaling \$6,106.94 were paid to the Indiana Department of Revenue and Boone County Sheriff during 2011 and 2012 for the late payment and late filing of state and county taxes. Additionally, payments due to the County Health Department, including reimbursements from Medicare for services provided, in the amount of \$13,590.22 were intercepted and paid to the Internal Revenue Service for outstanding amounts due.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

COUNTY AUDITOR
BOONE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 3, 2012, with Melody Price, Auditor; Jeff Wolfe, County Commissioner; and W. B. Smith, County Councilman.