

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

EXAMINATION REPORT  
OF  
COUNTY AUDITOR  
OHIO COUNTY, INDIANA  
January 1, 2010 to December 31, 2011



**FILED**  
02/08/2013



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Examination Results and Comments:	
2010 Annual Financial Report Reporting Classifications .....	4
2011 Annual Financial Report Not Complete .....	4
Capital Asset Records .....	4-5
Personnel Report Not Filed Timely.....	5
Payroll Schedule and Voucher .....	5-6
Exit Conference.....	7

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Connie L. Smith	01-01-07 to 12-31-14
President of the County Council	Douglas A. Baker	01-01-10 to 12-31-13
President of the Board of County Commissioners	Connie J. Brown	01-01-10 to 12-31-13



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF OHIO COUNTY

We have examined the records of the County Auditor for the period from January 1, 2010 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 Financial Statement Examination Report of Ohio County for the year 2010 and in the Financial Statement Examination Report of Ohio County for the year 2011.

STATE BOARD OF ACCOUNTS

January 15, 2013

COUNTY AUDITOR  
OHIO COUNTY  
EXAMINATION RESULTS AND COMMENTS

**2010 ANNUAL FINANCIAL REPORT REPORTING CLASSIFICATIONS**

Receipts were not properly categorized on the County's annual financial report for the year 2010. The following schedule shows examples of receipts categorized incorrectly on the 2010 annual financial report:

<u>Fund</u>	<u>Category per Annual Report</u>	<u>Proper Category</u>	<u>Amount</u>
General	Other Receipts	Taxes	\$1,640,630
General	Other Receipts	Intergovernmental	237,358
General	Other Receipts	Charges for Services	64,588
Highway	Other Receipts	Intergovernmental	439,813
Local Roads & Street Reassessment	Other Receipts	Intergovernmental	63,994
Riverboat	Other Receipts	Taxes	65,120
Riverboat	Other Receipts	Intergovernmental	4,146,313
Riverboat	Other Receipts	Charges for Services	6,732
911 Landline	Other Receipts	Charges for Services	50,822
911 Cell Phone	Other Receipts	Intergovernmental	44,445
911	Other Receipts	Intergovernmental	17,493

Corrective action was taken for the preparation of the annual report for the year 2011.

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)

**2011 ANNUAL FINANCIAL REPORT NOT COMPLETE**

The County is required by Indiana Code 5-11-1-4 to complete and file an annual financial report with the State Board of Accounts. As part of the annual financial reporting package, the County is required to complete the portion of the report titled "Financial Assistance to Nongovernmental Entities". This portion the report was not completed even though the County made payments to various not-for-profit organizations.

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 in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7. "

**CAPITAL ASSET RECORDS**

Capital asset records presented for examination were not complete. Not all additions and deletions for the years 2010 and 2011 were recorded on the capital asset records.

COUNTY AUDITOR  
OHIO COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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)

A similar comment was reported in prior Reports B33286, B34799, and B37216.

***PERSONNEL REPORT NOT FILED TIMELY***

Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) for the year 2010 and due January 31, 2011, was not filed in the office of the State Examiner until May 12, 2011. The Form 100R for the year 2011 and due January 31, 2012, was not filed in the office of the State Examiner until February 23, 2012.

Indiana Code 5-11-13-1 states in part the following:

"(a) Every . . . county . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts. . . .

(b) The department of local government finance may not approve the budget of a county . . . or a supplemental appropriation for a county . . . until the county . . . files an annual report under subsection (a) for the preceding calendar year."

***PAYROLL SCHEDULE AND VOUCHER***

The Payroll Schedule and Voucher (Form 99) was not used by offices and departments of the County. The form created by the County for use in lieu of Form 99 did not contain the following required information:

- a. Certification of the County Auditor.

The County Auditor's certification is an integral part of the internal control over payroll disbursements. The certification represents the County Auditor verification that department heads and office holders are submitting required documentation to support payments.

- b. The number of days or hours worked and the leave taken by employees.

The certification of time worked and of leave time taken by the department head or office holder is an integral part of the internal control system over payroll disbursements.

Indiana Code 5-11-10-2(a) states in part: "Claims against a political subdivision of the state must be . . . audited for correctness and approved by the disbursing officer of the political subdivision . . ."

COUNTY AUDITOR  
OHIO COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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 Auditor of Indiana, Chapter14)

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.

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 Auditor of Indiana, Chapter14)

COUNTY AUDITOR  
OHIO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 15, 2013, with Connie L. Smith, Auditor; Connie J. Brown, President of the Board of County Commissioners; and Douglas A. Baker, President of the County Council.