

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

AUDIT REPORT

OF

COUNTY AUDITOR

HOWARD COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
06/17/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Ann Wells Martha Lake	01-01-09 to 12-31-12 01-01-13 to 12-31-16
President of the County Council	Richard Miller	01-01-12 to 12-31-13
President of the Board of County Commissioners	Tyler Moore	01-01-12 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HOWARD COUNTY

We have audited the records of the County Auditor for the period from January 1, 2012 to December 31, 2012, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Howard County for the year 2012.

STATE BOARD OF ACCOUNTS

May 8, 2013

COUNTY AUDITOR
HOWARD COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The County did not have controls in place to account for or track all federal grants for reporting on the Schedule of Expenditures of Federal Awards.

Federal Circular A-133, Subpart C, section 300 outlines the responsibilities placed on the recipient of federal awards. The unit is required to do the following:

- a. Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the federal agency, and name of the pass-through entity.
- b. Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
- c. Comply with laws, regulations and the provisions of contracts or grant agreements related to each of its Federal programs.
- d. Prepare appropriate financial statements, including the schedule of expenditures of federal awards in accordance with section .310.
- e. Ensure that the audits required by this part are properly performed and submitted when due.
- f. Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with section .315(b) and .315(c), respectively.

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 Counties of Indiana, Chapter 1)

COUNTY AUDITOR
HOWARD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 4, 2013, with Martha Lake, County Auditor; Dwight Singer, County Councilman; and Paul Wyman, Vice President of the Board of County Commissioners.