

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

AUDIT REPORT

OF

COUNTY AUDITOR

BARTHOLOMEW COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
06/27/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Barbara J. Hackman	01-01-11 to 12-13-14
President of the Board of County Commissioners	Larry S. Kleinhenz	01-01-12 to 12-31-12
	Carl H. Lienhoop	01-01-13 to 12-31-13
President of the County Council	William F. Lentz	01-01-12 to 12-31-12
	Jorge R. Morales	01-01-13 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

TO: THE OFFICIALS OF BARTHOLOMEW 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 Results and Comments. The financial transactions of this office are reflected in the Financial Statement and Federal Single Audit Report of Bartholomew County for the year 2012.

STATE BOARD OF ACCOUNTS

May 6, 2013

COUNTY AUDITOR
BARTHOLOMEW COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted a deficiency in the internal control system of the County related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Preparing Schedule of Expenditures of Federal Awards (SEFA): Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited SEFA and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable SEFA and as a result has failed to design effective controls over the preparation of its SEFA to prevent or detect material misstatements, including notes to the SEFA.

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)

OVERDRAWN CASH BALANCES

The financial statements presented in this report included the following funds with overdrawn cash balances for the audit period ending December 31, 2012:

<u>Fund</u>	<u>Amount Overdrawn</u>
Pretrial Diversion	\$ 3,103
Comm Corr Ctp	10,372

The 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 Counties of Indiana, Chapter 1)

COUNTY AUDITOR
BARTHOLOMEW COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 28, 2013, with Barbara J. Hackman, County Auditor; Carl H. Lienhoop, President of the Board of County Commissioners; and Jorge R. Morales, President of the County Council. The officials concurred with our audit findings.