

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

AUDIT REPORT

OF

COUNTY AUDITOR

MIAMI 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>
Auditor	Jane E. Lilley	01-01-09 to 12-31-16
President of the County Council	Ralph Duckwall	01-01-12 to 12-31-13
President of the Board of County Commissioners	Craig Boyer Joshua Francis	01-01-12 to 12-31-12 01-01-13 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MIAMI 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 Annual Report of Miami County for the year 2012.

STATE BOARD OF ACCOUNTS

May 30, 2013

COUNTY AUDITOR  
MIAMI COUNTY  
AUDIT RESULTS AND COMMENTS

**COMPENSATION AND BENEFITS**

A salary ordinance for 2012 was never approved by the County Council. Compensation for 2012 was being paid at the same rate as 2011. Compensation and benefits were paid during 2012 to two employees who were in the payroll system, but whose hourly rate did not agree with the last approved salary ordinance or resolution from 2011. The total compensation and benefits paid to these two employees during 2012 was \$3,663 in excess of the last approved salary ordinance or resolution.

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)

**INTERNAL CONTROL 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.

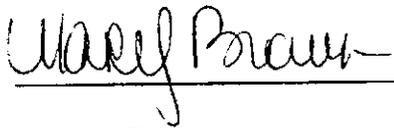
Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
MIAMI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 30, 2013, with Joshua Francis, President of the Board of County Commissioners; Ralph Duckwall, President of the County Council; and Jane E. Lilley, Auditor. The Official Response has been made a part of this report and may be found on page 6.

## RESPONSE TO FINDINGS

This is in response to the finding during our recent audit from the Indiana State Board of Accounts. This response is regarding the salary discrepancy in the Miami County Soil and Water budget of the position of Technician. The Miami County Council will address and correct the issue of the Miami County Soil & Water Technician salary in their regular meeting on June 18, 2013.



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Mary Brown  
Miami County Chief Deputy Auditor