

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

AUDIT REPORT

OF

COUNTY AUDITOR

PULASKI COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
07/18/2013



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sheila Garling	01-01-09 to 12-31-16
President of the County Council	Jerry Sullivan	01-01-12 to 12-31-13
President of the Board of County Commissioners	Michael Tiede Tracey Shorter	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 PULASKI 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 Pulaski County for the year 2012.

STATE BOARD OF ACCOUNTS

June 20, 2013

COUNTY AUDITOR  
PULASKI COUNTY  
AUDIT RESULTS AND COMMENTS

***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 County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
PULASKI COUNTY  
AUDIT RESULTS AND COMMENTS

***INTERNAL CONTROLS***

An adjustment of \$13,329 was made increasing the Health Insurance Account record balance to allow it to reconcile to the bank account administered by the Health Insurance carrier on December 31, 2012.

Indiana Code 5-46-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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)

At all times, the manual and/or 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 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 County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR  
PULASKI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2013, with Sheila Garling, Auditor, and Jerry Sullivan, President of the County Council. The officials concurred with our audit findings.