

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

AUDIT REPORT

OF

COUNTY AUDITOR

FULTON COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED

07/19/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Judith A. Reed	01-01-09 to 12-31-16
President of the County Council	James Widman	01-01-12 to 12-31-13
President of the Board of County Commissioners	Mark J Rodriguez	01-01-12 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FULTON COUNTY

We have audited the records of the Auditors office 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 Fulton County for the year 2012.

STATE BOARD OF ACCOUNTS

June 19, 2013

COUNTY AUDITOR
FULTON COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The Health Woman Infant and Children (WIC) Fund and Operation Pullover Grant Fund were overdrawn \$5,283 and \$568 respectively in 2012. A similar comment was in prior Report B40436.

The cash 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 County Auditors of Indiana, Chapter 14)

MATERIAL ERRORS TO SEFA

The County did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: Some of the Federal expenditures were not reported correctly. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in the County's Annual Report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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
FULTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2013, with Judith A. Reed, Auditor; Mark J. Rodriguez, President of the Board of County Commissioners; and James Widman, President of the County Council. The officials concurred with our audit findings.