

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

AUDIT REPORT

OF

COUNTY AUDITOR

HUNTINGTON COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
08/29/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cindy Yeiter	01-01-11 to 12-31-14
President of the County Council	John E. Hacker	01-01-12 to 12-31-13
President of the Board of County Commissioners	Tom Wall Leon Hurlburt	01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
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TO: THE OFFICIALS OF HUNTINGTON 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 Huntington County for the year 2012.

STATE BOARD OF ACCOUNTS

July 31, 2013

COUNTY AUDITOR
HUNTINGTON COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

The County did not have a proper system of internal controls 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 controls in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: incorrect amounts reported, incorrect program titles were used, some programs were omitted, and some programs were included that should not have been. Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in the annual report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statements.

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)

PENALTIES, INTEREST, AND OTHER CHARGES

The County paid late payment fees in 2012 to PNC Bank for a promissory note in the amount of \$4,905. The fees were incurred because the County did not remit three of the four payments due in 2012 on a timely basis.

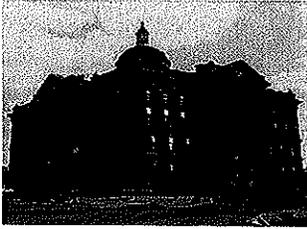
Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
HUNTINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2013, with Cindy Yeiter, Auditor; John E. Hacker, President of the County Council; and Leon Hurlburt, President of the Board of County Commissioners. The Official Response has been made a part of this report and may be found on page 6.



HUNTINGTON COUNTY AUDITOR'S OFFICE
CINDY YEITER, AUDITOR
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Response to Auditor's Section – July 31, 2013

Internal Controls

Corrective Action: Effective immediately, the Auditor's Office staff will establish internal controls to be in compliance with the Federal law to have proper oversight, reviews and approvals to take place and have a separation of functions over certain activities related to the Schedule of Expenditures of Federal Awards program.

Tina Stevens, Grant Deputy Auditor

Cindy Yeiter, Huntington County Auditor

Penalties, Interest and other Charges

Corrective Action: Effective immediately late payments will not be paid on any invoice from any department. All parties involved with the PNC Bank promissory note totaling \$4,905 in late charges will sign below acknowledging their part in this write up from the State Board of Accounts.

Erika Devine, Secretary to the Commissioners

Commissioner

Kim Heaston, Accounts Payable Deputy Auditor

Cindy Yeiter, Huntington County Auditor