

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

EXAMINATION REPORT
OF
COUNTY AUDITOR
POSEY COUNTY, INDIANA
January 1, 2013 to December 31, 2013



FILED
01/16/2015

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Nicholas Wildeman Kyle J. Haney	01-01-11 to 01-12-14 01-13-14 to 12-31-14
President of the County Council	Robert Gentil	01-01-13 to 12-31-14
President of the Board of County Commissioners	Carl A. Schmitz	01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF POSEY COUNTY

We have examined the records of the County Auditor for the period from January 1, 2013 to December 31, 2013, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Posey County for the year 2013.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 15, 2014

COUNTY AUDITOR
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Year	Excess Amount Expended
Reassessment - 2009	2013	\$ 228,247

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OVERDRAWN CASH BALANCES

The financial statement presented in this report included the following funds with overdrawn cash balances at December 31, 2013:

Fund	Amount Overdrawn
Tax Sale Redemption	\$ 458
Township Assistance	1,302
Township Fire Fighting Fund	2,422
Twp Cum Fire Fighting Fund	47,016
School Debt Service	26,288
Police Pension	3,439
Parks & Recreation	2,478
Wastewater Study - Wadesville - Blairsville	20,000
Adult Probation Administrative	736
HEA 1001 State HSC 2008	188
Persimmon Pond - Drain Mtce.	1,298

A similar comment was contained in the prior report.

COUNTY AUDITOR
POSEY COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

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)

ERROR ON CLAIMS

A test of claims identified the following deficiency with an error rate greater than 10 percent:

Of the claims tested, 30 percent did not have Board approval. This error resulted in \$147,501.54 expenditures which did not have proper Board approval.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

COUNTY AUDITOR
POSEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2014, with Kyle J. Haney, Auditor, and Carl A. Schmitz, President of the Board of County Commissioners.

Kyle J. Haney
Auditor, Posey County
Coliseum Building
126 E. Third Street – Room 220
Mount Vernon, Indiana 47620
(812) 838 – 1300

December 15, 2014

To whom it may concern:

This letter comes as an Official Response to the items found on the 2013 State Board of Accounts Audit. We have looked over the items found on this report and are taking actions to ensure that these items are cleared up in 2014. The Wastewater Study-Wadesville-Blairsville overdraw of twenty thousand dollars was cleared up earlier in 2014. With the exception of the Tax Sale Redemption Fund and the Persimmon Pond – Drain Mtce, the remainder of these funds are being cleared up in 2014 and in early 2015. We are working diligently to ensure that the remainder of the errors found on this report do not appear on any other reports in the future. We plan on doing this by taking the guidance of the State Board of Accounts given during our audit and applying it to our current practices to make sure that we better follow the guidelines of the State of Indiana.

Respectfully,

A handwritten signature in black ink that reads "Kyle J. Haney". The signature is written in a cursive style with a large, looping "H" and "y".

Kyle J. Haney

Posey County Auditor