

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

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



**FILED**  
07/23/2015



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Examination Results and Comments:	
Errors on Claims .....	4
Contracts .....	4
Payroll Schedule and Voucher .....	4-5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Connie L. Smith Debra A. Cappel	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the County Council	Douglas A. Baker Tamara J. Elbright	01-01-13 to 12-31-14 01-01-15 to 12-31-15
President of the Board of County Commissioners	Connie J. Brown	01-01-13 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF OHIO 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 Financial Statement Examination Report of Ohio County for the year 2013.

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

April 16, 2015

COUNTY AUDITOR  
OHIO COUNTY  
EXAMINATION RESULTS AND COMMENTS

***ERRORS ON CLAIMS***

A sample of claims identified the following deficiencies with an error rate greater than 10 percent:

Of the claims tested, 20 percent did not have proper approval by the Fiscal Officer.

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."

***CONTRACTS***

Payments totaling \$25,893 were made for janitorial services during the year 2013. A contract for these services was not presented for examination.

A similar comment was included in the prior report.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

***PAYROLL SCHEDULE AND VOUCHER***

The Payroll Schedule and Voucher (Form 99) was not used by offices and departments of the County. The form created by the County for use in lieu of Form 99 did not contain the following required information:

COUNTY AUDITOR  
OHIO COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

a. Certification of the County Auditor.

The County Auditor's certification is an integral part of the internal control over payroll disbursements. The certification represents the County Auditor verification that department heads and office holders are submitting required documentation to support payments.

b. The number of days or hours worked and the leave taken by employees.

The certification of time worked and of leave time taken by the Department Head or office holder is an integral part of the internal control system over payroll disbursements.

c. Certification of the Department Head.

Of the payroll claims tested, 29 percent did not contain the certification of the Department Head. The Department Head's certification is an integral part of the internal control over payroll disbursements. The certification represents the Department Head's verification that he/she has examined the attendance records of the employees, and the employees have performed the services for which they are being paid. In our review of payroll, attendance records were not presented for examination for three salaried employees to support the payments made.

Employees who were paid on a monthly, quarterly, or annual basis were not included on the form in use in lieu of Form 99. The form was in use only for employees who were paid on a bi-weekly basis.

A similar comment was included in the prior report.

Indiana Code 5-11-10-2(a) states in part: "Claims against a political subdivision of the state must be . . . audited for correctness and approved by the disbursing officer of the political subdivision . . ."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

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  
OHIO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2015, with Debra A. Cappel, County Auditor; Connie L. Smith, former County Auditor; Tamara J. Elbright, President of the County Council; and Connie J. Brown, President of the Board of County Commissioners.