

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

AUDIT REPORT

OF

COUNTY AUDITOR

HARRISON COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
08/29/2006

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|--|-------------|
| County Officials | 2 |
| Transmittal Letter | 3 |
| Audit Results and Comments: | |
| Service and Time Records | 4 |
| Vacation Time | 4 |
| Federal and State Agencies – Compliance Requirements | 4 |
| Exit Conference | 5 |

COUNTY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|-------------------|----------------------|
| Auditor | Patricia A. Wolfe | 01-01-03 to 12-31-06 |
| President of the County Council | Gary Davis | 01-01-05 to 12-31-06 |
| President of the Board of County Commissioners | J.R. Eckart | 01-01-05 to 12-31-06 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

TO: THE OFFICIALS OF HARRISON COUNTY

We have audited the records of the County Auditor for the period from January 1, 2005 to December 31, 2005, 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 Harrison County for the year 2005.

STATE BOARD OF ACCOUNTS

July 25, 2006

COUNTY AUDITOR
HARRISON COUNTY
AUDIT RESULTS AND COMMENTS

SERVICE AND TIME RECORDS

The County had a policy of not requiring salaried employees to maintain an employee service record. During the audit period there were several salaried employees for which no employee service record was being maintained.

Failure to maintain service records for employees who are entitled to receive leave benefits may make it impossible to determine if employees were working the hours required and to determine if they have vacation or sick leave balances available to use.

The County's procedures for completing time sheets to remit to the Auditor should be followed by all employees, salaried and hourly. Service records can then be maintained by the Auditor for all employees entitled to receive leave benefits.

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, Chapter 4)

VACATION TIME

Payroll records indicated that some employees are using vacation time and being paid for that time prior to earning the time.

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Harrison County did not comply with directives of the Internal Revenue Service. The compensation of County employees who drive county vehicles to and from work was not reported on Form W-2.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
HARRISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006, with J.R. Eckart, President of the Board of County Commissioners; Gary Davis, President of the County Council; and Patricia A. Wolfe, Auditor. The officials concurred with our findings.