

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

AUDIT REPORT

OF

COUNTY AUDITOR

DEKALB COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
11/15/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Sharon G. Hayes	01-01-03 to 12-31-06
President of the County Council	Ben Smaltz	01-01-05 to 12-31-06
President of the Board of County Commissioners	Connie R. Miles William C. Ort	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DEKALB 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 Result and Comment. The financial transactions of this office are reflected in the Annual Financial Report of DeKalb County for the year 2005.

STATE BOARD OF ACCOUNTS

October 16, 2006

COUNTY AUDITOR
DEKALB COUNTY
AUDIT RESULT AND COMMENT

CAPITAL ASSET RECORDS

As previously noted in the Report B25777, the County did not have sufficient capital asset records available for audit. The records have not been properly maintained for additions and disposals for the last few years due to lack of manpower and other pre-empting issues such as reassessment. The County is aware of the problem and is currently actively making a resound effort to generate complete records and expects to have them as of January 1, 2006.

Insufficient capital asset records may result in a misstatement of the County's assets and a material misstatement of the financial statements as a whole. Management's lack of control over assets may also result in undetected theft or unnecessary purchases due to management's uncertainty of available assets.

The County Auditor should use the prescribed Capital Asset Ledger or develop an approved system of preparing and maintaining capital asset records to ensure that they are fairly stated, complete and available for review at the time of audit.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 20)

COUNTY AUDITOR
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2006, with William C. Ort, President of the Board of County Commissioners; Connie R. Miles, Commissioner; and Sharon G. Hayes, Auditor. The officials concurred with our audit finding.