

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

EXAMINATION REPORT
OF
COUNTY AUDITOR
CRAWFORD COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/29/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Payroll Deficiencies	4
Errors on Claims	4-5
Overdrawn Fund Balances	5
Exit Conference	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Peggy Bullington	01-01-03 to 12-31-06
President of the County Council	David Jones Jerry Brewer	01-01-04 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Randy Gilmore	01-01-04 to 12-31-06



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

TO: THE OFFICIALS OF CRAWFORD COUNTY

We have examined the records of the County Auditor for the period from January 1, 2004 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Crawford County for the years 2004 and 2005.

STATE BOARD OF ACCOUNTS

November 29, 2006

COUNTY AUDITOR
CRAWFORD COUNTY
EXAMINATION RESULTS AND COMMENTS

PAYROLL DEFICIENCIES

Our testing of the payroll system revealed the following deficiencies:

- (1) Employee Service Records (General Form 99A) were not properly maintained for all employees tested.
- (2) Payroll time sheets were not always signed by employees and/or department heads.
- (3) There were instances of the Payroll Schedule and Voucher (General Form 99) being completed by the various departments, but not containing all the necessary information.
- (4) Form 1099-MISCs were completed; however, in one instance the recipient's nonemployee compensation did not agree with the total received by the recipient.

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 14)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 18)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not adequately itemized.
- (2) All claims did not have board approval.
- (3) Claims or invoices did not have evidence to support receipt of goods or services.
- (4) Finance charges were incurred and paid on some claims.

COUNTY AUDITOR
CRAWFORD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10-1.6(c) states:

"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."

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 Auditor, Chapter 14)

OVERDRAWN FUND BALANCES

The General Fund, County Health Fund, Emergency Response Services Fund, and Pretrial Diversion Fund were overdrawn in 2004. The General Fund and Tax Sale Redemption Fund were overdrawn in 2005.

The 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)

COUNTY AUDITOR
CRAWFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2006, with Peggy Bullington, Auditor.
The official concurred with our examination findings.