

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

AUDIT REPORT

OF

COUNTY AUDITOR

MIAMI COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

10/16/2007



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Brenda Weaver	01-01-05 to 12-31-08
President of the County Council	James F. Stephenson William E. Click	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Board of County Commissioners	Gary D. Hawley	01-01-06 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MIAMI COUNTY

We have audited the records of the County Auditor for the period from January 1, 2006 to December 31, 2006, 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 Miami County for the year 2006.

STATE BOARD OF ACCOUNTS

September 24, 2007

COUNTY AUDITOR  
MIAMI COUNTY  
AUDIT RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2006 was not presented for audit. This was also noted in the prior Report B28814.

Indiana Code 5-11-1-4(a) concerning annual reports, states in part: ". . . these reports shall be prepared, verified, and filed with the state examiner not later than thirty (30) days after the close of each fiscal year."

OVERDRAWN CASH BALANCES

The cash balances of a number of County Funds were overdrawn at December 31, 2006. A similar comment was contained in the prior Report B28814.

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, Chapter 14)

ACCOUNTING RECORDS

Several posting errors were made in the County's accounting records. While tracing local tax distributions to the ledger, it was determined that some amounts were posted to the wrong funds.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditor, Chapter 14)

APPROPRIATIONS

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

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
County Drug Free Community	2006	\$ 6,928
Supplemental Adult Probation	2006	32,485

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."

COUNTY AUDITOR  
MIAMI COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

CAPITAL ASSETS

Information presented for audit indicated an inventory or record of capital assets was maintained, but several items purchased during the audit period were not included or were posted incorrectly to the listing. We reviewed seven capital asset claims totaling \$287,319 that could not be located on the capital asset listing. We also reviewed two capital asset claims that were posted for police cars, but were posted at incorrect amounts.

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 Assets 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 14)

TAX SALE SURPLUS FUNDS

The County was holding \$18,172.10 in Tax Sale Surplus, at December 31, 2006, which was held for more than three years. A similar comment was contained in the prior Report B28814.

Indiana Code 6-1.1-24-7(d) states: "An amount deposited in the tax sale surplus fund shall be transferred by the county auditor to the county general fund and may not be disbursed under subsection (b) if it is not claimed within the three (3) year period after the date of its receipt."

RECONCILIATION OF SUBSIDIARY LEDGERS

Posting errors were not discovered in a timely manner because reconcilements were not made between the surplus tax subsidiary ledgers and the control account (funds ledger). A similar comment was contained in the prior Report B28814.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

SURPLUS TAX OVER THREE YEARS OLD

The surplus tax fund includes items totaling \$26,257.68 from the tax years 2000-2002 that were more than three years old but were not transferred to the General Fund until April 5, 2007. Also, \$9,984.45 was being held for the 2002 pay 2003 tax year that was transferred on August 28, 2007. A similar comment was contained in the prior Report B28814.

Indiana Code 6-1.1-26-6(c) states in part: "If an excess payment is not claimed within the three (3) year period after November 10 of the year in which the payment was made and the county treasurer has given the written notice required under subsection (d), the county auditor shall transfer the excess from the surplus tax fund into the general fund of the county."

COUNTY AUDITOR  
MIAMI COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

PRESCRIBED FORMS

The following prescribed or approved forms were not always used, or were replaced by unapproved forms or electronic data displays: Form 24B (Fund Ledger and Ledger of Receipts), Form 24C (Detailed Ledger of Disbursements), Form 24A (Ledger of Appropriations and Disbursements), Form 16 (Warrant and Warrant Register), Form 61 (Monthly Financial Statement), County Form 65STF (Surplus Tax Fund Ledger), and others.

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)

COUNTY AUDITOR  
MIAMI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2007, with Brenda Weaver, Auditor, William E. Click, President of the County Council; Dick Wiles, County Council member; and Gary D. Hawley, President of the Board of County Commissioners.