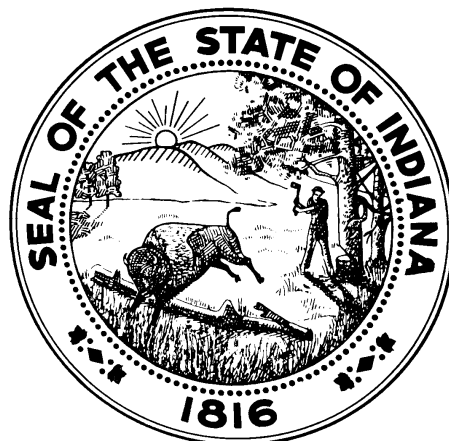


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
COUNTY AUDITOR  
CARROLL COUNTY, INDIANA  
January 1, 2008 to December 31, 2008



**FILED**  
10/16/2009



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Beth Myers	01-01-07 to 12-31-10
Treasurer	Jane Brewington	01-01-07 to 12-31-10
Clerk	Laura Sterrott Nancy Mattox	01-01-05 to 12-31-08 01-01-09 to 12-31-12
Sheriff	Tony Burns	01-01-07 to 12-31-10
President of the County Council	Nancy Cripe Ann Brown	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	Loren Hylton	01-01-08 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 CARROLL COUNTY

We have examined the records of the County Auditor for the period from January 1, 2008 to December 31, 2008, 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 Annual Report of Carroll County for the year 2008.

STATE BOARD OF ACCOUNTS

August 20, 2009

COUNTY AUDITOR  
CARROLL COUNTY  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS - HOMESTEAD TAX REFUND

The following deficiencies relating to the recordkeeping were present during our period of examination:

- (1) Disbursements made from this fund during 2008 were not posted to the records. Disbursements were prepared by an outside contracted service and were not processed through the County's accounting system.
- (2) Verification of disbursements made to calculated amounts determined as payable could not be made. A complete verified list of checks issued was not presented for examination.
- (3) Accountability of voided checks and replacement checks could not be verified.
- (4) The Auditor did not work with the vendor in a timely manner to determine what procedures and reports were necessary to properly account for the homestead tax refund.

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, Chapter 14)

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 7)

COMINGLING LANDLINE AND WIRELESS 911 FEES INTO ONE FUND

Currently, landline and wireless 911 fees are combined into one fund. IC 36-8-16-13 and 36-8-16.5-43 both indicate that these fees should be maintained in separate funds.

IC 36-8-16-3 states:

"A county treasurer or municipal fiscal officer to whom enhanced emergency telephone system fees are remitted under section 12 of this chapter shall deposit the fees in a separate fund. The fund shall be known as the Carroll County wireless emergency telephone system fund. The county treasurer may invest money in the fund in the same manner that other county money of the county or municipality may be invested. The county treasurer or municipal fiscal officer shall deposit any income earned from such an investment in the fund."

COUNTY AUDITOR  
CARROLL COUNTY  
EXAMINATION RESULTS AND COMMENTS

IC 36-8-16.5-43 states:

"The distribution of wireless emergency enhanced 911 funds by the board for cost recovery by PSAPs under section 39 of this chapter must be deposited by the county treasurer in a separate fund set aside for the purposes allowed by section 41 of this chapter. The fund must be known as the Carroll County wireless emergency telephone system fund. The county treasurer may invest money in the fund in the same manner that other money of the county may be invested, but income earned from the investment must be deposited in the fund set aside under this section."

While statute allows for many of the same type of expenditures with these fees, there are some significant differences such as education of the public with wireless fees and radio purchases with landline fees. Not maintaining a separate fund for these fees results in an internal control weakness over the ability to ensure that the fees are expended as required by statute. 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 1).

We recommended that E911 fee and non E911 fee activity be maintained in separate funds as required above.

APPROPRIATIONS

The records presented for examination indicated that the Property Reassessment Fund expenditures were in excess of budgeted appropriations by \$61,608 for 2008.

IC 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  
CARROLL COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 17, 2009, with Beth Myers, Auditor. The official response has been made part of this report and may be found on page 7.

The contents of this report were discussed on September 17, 2009, with Loren Hylton, President of the Board of County Commissioners; Ann Brown, President of the County Council; and Ron Slavons, County Council member.

**BETH L. MYERS**  
**CARROLL COUNTY AUDITOR**

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101 West Main Street  
Delphi, IN 46923  
Phone (765) 564-3172, Fax (765) 564-4851

September 18, 2009

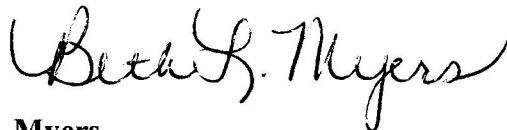
Re: OFFICIAL RESPONSE

E-911 fees:

Examination results and comments state that the Landline & Wireless 911 fees are currently combined into one fund. Currently, our landline and wireless fees are in separate funds along with contractual fees having its own fund.

In 2008, we had separate accounts to track these landline and wireless fees in one fund. Funds were not commingled. Separate Funds were established immediately after being advised by the SBOA during the E-911 audit.

Sincerely,



Beth L Myers  
Carroll Co Auditor