

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

AUDIT REPORT

OF

COUNTY AUDITOR

MONTGOMERY COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

11/06/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Michelle R. Cash	10-16-07 to 12-31-10
President of the County Council	James D. Fulwider	01-01-08 to 12-31-09
President of the Board of County Commissioners	Harry A. Siamas	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MONTGOMERY COUNTY

We have audited 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 Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Montgomery County for the year 2008.

STATE BOARD OF ACCOUNTS

August 26, 2009

COUNTY AUDITOR
MONTGOMERY COUNTY
AUDIT RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The County did not have state and federal withholding authorizations in the personnel files for 15 of the 30 files tested. A similar comment was included in prior Report B33623.

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 of Indiana, 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 of Indiana, Chapter 14)

ERRORS ON CLAIMS

A claim examined showed fuel charges were paid from a statement instead of an itemized invoice or an invoice attached to the statement.

IC 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."

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>
General (0101)	2008	\$ 238,073
County Wheel Tax (0205)	2008	19,997
Local Roads and Streets (0706)	2008	22,759
Children's Psychiatric Residential Treatment (0861)	2008	126,566

COUNTY AUDITOR
MONTGOMERY COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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."

CREDIT CARDS

As previously state in the prior Report B33623, the Sheriff's Department and several departments in the Court House are using credit cards to purchase items without a credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter

14)

COUNTY AUDITOR
MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2009, with Michelle R. Cash, Auditor; Harry A. Siamas, President of the Board of County Commissioners; and Richard Chastain, County Councilman.