

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

AUDIT REPORT
OF
COUNTY AUDITOR
HARRISON COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED

08/18/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Patricia A. Wolfe Karen Engleman	01-01-07 to 12-31-10 01-01-11 to 12-31-14
President of the County Council	Chris Timberlake Gary Davis	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	James Goldman	01-01-10 to 12-31-11



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 HARRISON COUNTY

We have audited the records of the County Auditor for the period from January 1, 2010 to December 31, 2010, 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(s) and Comment(s). The financial transactions of this office are reflected in the Annual Report of Harrison County for the year 2010.

STATE BOARD OF ACCOUNTS

July 25, 2011

COUNTY AUDITOR
HARRISON COUNTY
AUDIT RESULT(S) AND COMMENT(S)

OVERDRAWN CASH BALANCES

The cash balance of the following funds was overdrawn in 2010:

Fund	2010
Payroll Clearing	\$ 127,580
Hotel/Motel Tax	36,758
Operation Pullover	5,405
06-JB-118 Criminal Justice	13,779
154HE-2008-08-01-15	12,771

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)

CONTRACTS

A contract between Harrison County and CyberTek Engineering, LLC, for technical support services during 2010, was not presented for audit. Although the County Commissioners approved a contract in January of 2008, it was only for one year, and evidence could not be found to indicate that it had been approved for renewal beyond the first year. Payments totaling \$40,800 were made to CyberTek Engineering, LLC, for technical support services in 2010, which were more than the monthly amounts approved in the 2008 contract. Payments were made quarterly for the subsequent quarter in which services had yet to be received. Also, monthly payments of \$7,730 for technical support services were made to CyberTek Engineering, LLC, starting in January 2011. A contract for technical support services during the year 2011 was not signed until July 5, 2011, and the contracted fee was set at \$7,830 per month.

COUNTY AUDITOR
HARRISON COUNTY
AUDIT RESULT(S) AND COMMENT(S)
(Continued)

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

ACCOUNT RECONCILIATIONS – PAYROLL CLEARING FUND

The County's Payroll Clearing Fund went from having a balance of \$169,261 at December 31, 2008, to a balance of (\$25,411) at December 31, 2009. Disbursements continued to exceed transfers into the Payroll Clearing Fund during 2010 and the fund now has a balance of (\$127,850) as of December 31, 2010.

At all times, the manual, and/or 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 of Indiana, Chapter 14)

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 14)

COUNTY AUDITOR
HARRISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2011, with Karen Engleman, Auditor; James M. Klinestiver, member of the Board of County Commissioners; and Gary Davis, President of the County Council.