

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

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



FILED
04/19/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kathy Juillerat Cindy Yeiter	01-01-08 to 12-31-10 01-01-11 to 12-31-14
President of the Board of County Commissioners	Tom Wall	01-01-10 to 12-31-12
President of the County Council	John E. Hacker	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HUNTINGTON 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Huntington County for the year 2010.

STATE BOARD OF ACCOUNTS

March 6, 2012

COUNTY AUDITOR
HUNTINGTON COUNTY
AUDIT RESULTS AND COMMENTS

SALARY PAID TO PROGRAM COORDINATOR FOR L.A.C.E. (LOCAL ANTI-DRUG COALITION EFFORTS) FUND AND STOP – STOPPING TOBACCO (INDIANA TOBACCO PREVENTION AND CESSATION) FUND PROGRAMS

The L.A.C.E. Fund was established to account for alcohol and drug services program fees. These fees are collected by the County Clerk and remitted to the County Auditor monthly. The distribution of these fees are allocated in a drug free communities plan approved by the local commission (L.A.C.E.) and appropriated by the County Council. This allocation is based on specific guidelines established by Indiana Code 5-2-6-16.

STOP – Stopping Tobacco Fund was established to account for the Indiana Tobacco Prevention and Cessation grants received by the county.

Disbursements for the salary of the program coordinator, Melissa A. Phillips, were allocated between the two funds as part of the programs' plans budgets. Ms. Phillips worked from home. Before February 22, 2010, the program coordinator was treated as a contractor and paid through the claims process. Starting on February 22, 2010, the program coordinator was paid through the payroll process. The change in the method used for salary payment was explained as a request from the program coordinator. A contract with the grant coordinator was not presented for audit. Her salary during the time paid through payroll was not included in the salary ordinance. She was not offered any benefits that County employees receive. An analysis for determination of whether the program coordinator was an employee vs. a contractor was not presented for audit.

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)

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 otherwise 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 of Indiana, Chapter 14)

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)

SUPPORTING DOCUMENTATION

Four claims paid had undocumented reimbursements totaling \$2,552.15, of which \$2,278.40 was paid to Melissa A. Phillips, Program Coordinator, and \$273.75 to an office supply vendor. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. Therefore, we question cost these reimbursements as reported in our supplemental report entitled L.A.C.E. AND STOP PROGRAMS, HUNTINGTON COUNTY for the audit period of January 1, 2007 through December 31, 2010.

COUNTY AUDITOR
HUNTINGTON COUNTY
AUDIT RESULTS AND COMMENTS

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.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

RECORD OF HOURS WORKED

Melissa A. Phillips, Program Coordinator, was paid from more than one program. A record of hours worked for each program was not presented for audit.

Indiana Code 5-11-9-4(b) states in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

If paid to a contractor, documentation requirements should be addressed in the contract.

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 Counties of Indiana, Chapter 1)

TRANSFERS

A transfer of funds of \$72,002 was made from the User Fee Fund to the General Fund. The officials declared the fund was dormant, or inactive for a number of years, however, there was activity in the fund throughout the audit period. The transfer was not approved by the County Council.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
HUNTINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 6, 2012, with Tom Wall, President of the Board of County Commissioners; John E. Hacker, President of the County Council; and Kathy Juillerat, former Auditor.

The contents of this report were discussed on March 13, 2012, with Cindy Yeiter, Auditor.