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

AUDIT REPORT

OF

COUNTY AUDITOR

CLINTON COUNTY, INDIANA

January 1, 2011 to December 31, 2011

FILED
09/04/2012

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COUNTY OFFICIALS

Office	Official	Term
Auditor	Cathy Hamilton	01-01-09 to 12-31-12
President of the County Council	Steve Woods	01-01-11 to 12-31-12
President of the Board of County Commissioners	Mike Beard	01-01-11 to 12-31-12

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLINTON COUNTY

We have audited the records of the County Auditor for the period from January 1, 2011 to December 31, 2011, 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 Clinton County for the year 2011.

STATE BOARD OF ACCOUNTS

May 24, 2012

QUESTIONABLE DISBURSEMENTS FROM THE E911 FEE FUND

The County has established a separate fund to account for the financial activity of E-911 fees. Indiana Codes 36-8-16 and 36-8-16.5 establish guidelines for the expenditure of these fees. During our audit of these fees we found questionable expenditures as summarized in the following categories.

E911 Fund:	
911 labels, plastic bags	$ 385.68
Training, Inservice Medical Certification Course	1,635.00
911 Color and Fun Books	336.34
Total E911 Fund	$ 2,357.02
Wireless E911 Fund:	
Bizhub 363 Copier	$ 2,481.00
Waste bags, Paper Shredder, 4 Drawer File Cabinet	2,557.95
Total Wireless E911 Fund	$ 5,038.95

Indiana Code 36-8-16-14(a) states:

"The emergency telephone system fees shall be used only to pay for:

(1) the lease, purchase, or maintenance of enhanced emergency telephone equipment, including necessary computer hardware, software, and data base provisioning;

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(2) the rates associated with the service suppliers' enhanced emergency telephone system network services;

(3) the personnel expenses of the emergency telephone system;

(4) the lease, purchase, construction, or maintenance of voice and data communications equipment, communications infrastructure, or other information technology necessary to provide emergency response services under authority of the unit imposing the fee; and

(5) an emergency telephone notification system under IC 36-8-21.

The legislative body of the unit may appropriate money in the fund only for such an expenditure."

Indiana Code 36-8-16.5-41(a) states:

"A PSAP shall use its distribution made under section 39 of this chapter for the lease, purchase, or maintenance of wireless enhanced emergency telephone equipment, including:

(1) necessary computer hardware, software, and data base equipment;

(2) personnel expense and training;

(3) the provision of wireless enhanced emergency service; or

(4) educating consumers about the operations, limitations, role, and responsible use of enhanced 911 service.

We recommended that the Director review the statute and expenditures being made from the fee based funds to determine compatibility. Expenditures determined necessary for the functioning of the E-911 program but outside the guidelines for the use of E-911 fees such as cell phones, certain laptop computers, office enhancements, supplies, and tools should be made from the General Fund or other appropriate funds.

CITY AND TOWN COURT COST FUND

The County Auditor has been receipting the city and town court fees received, from the Clerk of the Circuit Court, into the County General Fund. A separate Cities and Town Court Costs fund has been established on the county's ledgers, but there has been no activity in this fund since 2005.

Indiana Code 33-37-7-6 states in part:

"(a) The qualified municipality share to be distributed to each city and town maintaining a law enforcement agency that prosecutes at least fifty percent (50%) of the city's or town's ordinance violations in a circuit, superior, or county court located in the county is three percent (3%) of the amount of fees collected under the following:

(1) IC 33-37-4-1(a) (criminal costs fees).

(2) IC 33-37-4-2(a) (infraction or ordinance violation costs fees).

(3) IC 33-37-4-3(a) (juvenile costs fees).

(4) IC 33-37-4-4(a) (civil costs fees).

(5) IC 33-37-4-6(a)(1) (small claims costs fees).

(6) IC 33-37-4-7(a) (probate costs fees).

(7) IC 33-37-5-17 (deferred prosecution fees).

(b) The county auditor shall determine the amount to be distributed to each city and town qualified under subsection (a) as follows:

STEP ONE: Determine the population of the qualified city or town.

STEP TWO: Add the populations of all qualified cities and towns determined under STEP ONE.

STEP THREE: Divide the population of each qualified city and town by the sum determined under STEP TWO.

STEP FOUR: Multiply the result determined under STEP THREE for each qualified city and town by the amount of the qualified municipality share.

(c) The county auditor shall distribute semiannually to each city and town described in subsection (a) the amount computed for that city or town under STEP FOUR of subsection (b) . . ."

ANNUAL REPORT

The Annual Report submitted to the State Board of Accounts did not accurately reflect all of the financial transactions of the County. County department receipts, disbursements, and balances were not included in the electronically filed annual report.

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 no later than sixty (60) days after the close of each fiscal year."

CAPITAL ASSETS

Twelve ipads were purchased for County officials from County funds from January 1, 2010 through January 4, 2012. Of these twelve, five could not be accounted for through physical observation. In addition, the County did not maintain an inventory listing of these ipads. Through discussions with County personnel, it was discovered that these five ipads should have been on hand at the Emergency Management Assistance office. A police report was filed with the City of Frankfort Police Department on May 31, 2012, indicating that these ipads could have been inadvertently thrown away by Emergency Management Assistance personnel.

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 Capital Assets Ledger Form. 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)

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. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

COUNTY AUDITOR
CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 25, 2012, with Cathy Hamilton, Auditor. The official indicated that she would be responding to the report but no officials response was received.

The contents of this report were discussed on June 25, 2012, with Mike Beard, President of the Board of County Commissioners; Steve Woods, President of the County Council; and Allen Dunn, Vice President of the County Council.