

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

AUDIT REPORT
OF
COUNTY AUDITOR
LAGRANGE COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
12/27/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Kay M. Myers	01-01-11 to 12-31-14
President of the County Council	Charles F. Ashcraft John A. Price	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	George R. Bachman	01-01-11 to 12-31-12



STATE OF INDIANA

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TO: THE OFFICIALS OF LAGRANGE 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 Result and Comment. The financial transactions of this office are reflected in the Annual Financial Report of LaGrange County for the year 2011.

STATE BOARD OF ACCOUNTS

October 11, 2012

COUNTY AUDITOR
LAGRANGE COUNTY
AUDIT RESULTS AND COMMENTS

LACK OF INTERNAL CONTROL - MINUTES OF THE COUNTY COMMISSIONERS STAFF MEETINGS

We noted the following deficiencies in the internal control system of LaGrange County related to reporting:

1. No signed minutes of the County Commissioners staff meetings were presented for audit. The only documentation presented were unsigned Memorandums for each meeting, that detailed the date, time, and place of the meeting, the members of the governing body that were present or absent, and a choice of three generic statements of the general substance of all matters proposed. Although there is no requirement that the County Commissioners sign the minutes, it is a good internal control procedure to do so. Their signatures provide verification that they approve what is written in the minutes.
2. As stated above, the memorandums included a choice of three generic statements of the general substance of all matters proposed. These choices were as follows:
 - a. To receive information or recommendations, in order to carry out administrative functions; or
 - b. To carry out administrative functions; or
 - c. To confer with staff members on matters relating to the internal management of the unit.

No other details were included on the memorandums and we were unable to determine what was actually discussed or what actions were taken, if any, resulting in a lack of audit trails.

3. The memorandums contained no indication that the County Auditor was in attendance at the staff meetings. The memorandums were not signed by the County Auditor. Although there is no requirement that the County Auditor sign the minutes, it is a good internal control procedure to do so. The County Auditor's signature represents an attestation that the minutes are true and complete.

COUNTY AUDITOR
LAGRANGE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 36-2-2-11(a) states in part: "The county auditor shall attend all meetings of, and record in writing the official proceedings of, the executive."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operation, proper execution of management's objectives, and compliance with the 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 of 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 Manuals for County Auditors of Indiana, Chapter 14)

Indiana Code 5-14-1.5-4(b) states in part:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

COUNTY AUDITOR
LAGRANGE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2012, with Kay M. Myers, Auditor; George R. Bachman, President of the Board of County Commissioners; and John A. Price, President of County Council.