

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

AUDIT REPORT

OF

COUNTY AUDITOR

HARRISON COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
06/27/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Payroll Withholding Accounts Not Reconciled	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Karen Engleman	01-01-11 to 12-31-14
President of the County Council	Gary Davis	01-01-12 to 12-31-13
President of the Board of County Commissioners	James Goldman Kenny Saulman	01-01-12 to 12-31-12 01-01-13 to 12-31-13



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, 2012 to December 31, 2012, 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 Report of Harrison County for the year 2012.

STATE BOARD OF ACCOUNTS

April 18, 2013

COUNTY AUDITOR
HARRISON COUNTY
AUDIT RESULT AND COMMENT

PAYROLL WITHHOLDING ACCOUNTS NOT RECONCILED

As noted in the prior report, 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 resulting in a balance of (\$127,850) at December 31, 2010. On October 31, 2011, \$160,259 was transferred into the Payroll Clearing Fund from the Riverboat Fund to reduce the negative fund balance. Also, on November 1, 2011, individual payroll withholding funds were established to account for payroll withholdings and the Payroll Clearing Fund was no longer to be used. As a result, the Payroll Clearing Fund had a balance of \$56,545 at December 31, 2011. This balance did not reconcile to any particular withholding account. At December 31, 2012, the Payroll Clearing Fund still had an unidentified amount of \$54,423. Numerous other payroll withholding accounts remain with unidentified balances at December 31, 2012; although, the unidentified amounts are relatively immaterial. The County Auditor is currently analyzing all payroll withholding funds to get them reconciled.

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 April 18, 2013, with Kenny Saulman, President of the Board of County Commissioners; Gary Davis, President of the County Council; and Karen Engleman, Auditor. The officials concurred with our audit finding.