

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

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



FILED
07/25/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Certification for Time Worked and Paid Days Off – Salaried/Hourly Employees	4
Overdrawn Fund Balances	4
Exit Conference	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Celeste G. Reed	01-01-11 to 12-31-14
President of the County Council	William H. Hensler	01-01-11 to 12-31-12
President of the Board of County Commissioners	Mark Cash Julie Berry	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JEFFERSON 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 Jefferson County for the year 2011.

STATE BOARD OF ACCOUNTS

June 1, 2012

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS

CERTIFICATION FOR TIME WORKED AND PAID DAYS OFF – SALARIED/HOURLY EMPLOYEES

We selected certain payroll payments made during the year 2011. For the payroll payments selected, we noted that time worked (days or hours) and paid time-off (i.e. vacation or sick) was not reported on the Payroll Schedule and Voucher for 144 salaried/hourly employees, who were paid a total of \$161,484.

The Payroll Schedule and Voucher (Form 99), a prescribed form, submitted to the County Auditor requires the elected officer holder and/or head of the department to report the total time worked and the total time-off during the payroll period for each employee under their supervision. Because documentation was not presented to support the payroll payments, validity of the payments could not be established. This information is required to establish the validity of payroll payments made and is integral part of the County's internal controls over payroll payments.

Indiana Code 5-11-9-2 states in part: ". . . all accounts or vouchers of any political subdivision of the state for personal services of officers and employees shall be made in such form as may be prescribed by the state board of accounts."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditor's, 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. (Accounting and Uniform Compliance Guidelines Manual for County Auditor's, Chapter 14)

Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditor's, Chapter 14)

OVERDRAWN FUND BALANCES

Funds with cash overdrawn balances at December 31, 2011, are as follows:

Fund	Amount
City and Town Court Costs	\$ 263
Education Plate Excise	20,000
Convention and Tourism	10
HEA 1001 State HSC Fund	506
State Fair	2,304
Jefferson County Sheriff Continuing Education	20
Total	<u>\$ 23,103</u>

The 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)

COUNTY AUDITOR
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2012, with Celeste G. Reed, Auditor; Julie Berry, President of the Board of County Commissioners; and William H. Hensler, President of County Council. The officials concurred with our audit findings.