

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

AUDIT REPORT

OF

COUNTY TREASURER

GRANT COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

09/21/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Timely Recordkeeping	4
Transaction Recording	4
Exit Conference	5
Official Response	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Roger A. Bainbridge	01-01-05 to 13-31-08
President of the County Council	Michael E. Row Mike Scott	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Jeremy Diller	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF GRANT COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2005 to December 31, 2005, 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 Grant County for the year 2005.

STATE BOARD OF ACCOUNTS

September 6, 2006

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULTS AND COMMENTS

TIMELY RECORDKEEPING

Interest earned on the County's bank accounts for December 2005 in the amount of \$76,894 was not posted to the County's records until June 21, 2006.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

TRANSACTION RECORDING

The County Treasurer is maintaining Bureau of Motor Vehicles (BMV) license excise tax direct deposits in a separate checking account. BMV receipts are not recorded in the Treasurer's cashbook until a withdrawal is made from this checking account and deposited into the County's bank account. Two additional checking accounts have been established to receive property tax payments collected by local banks and held until transferred to the County's bank accounts. These three checking accounts are not a part of the Treasurer's cashbook or the bank reconcilements.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 12)

COUNTY TREASURER
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2006, with Roger A. Bainbridge, Treasurer; and Angela K. Rinker, Deputy Treasurer. The official response has been made a part of this report and may be found on page 6.

Roger A. Bainbridge
Grant County Treasurer
Grant County Complex
401 S. Adams St., Room 229
Marion, IN 46953-2099

Phone: 765-668-6556

FAX: 765-668-6582

September 14, 2006

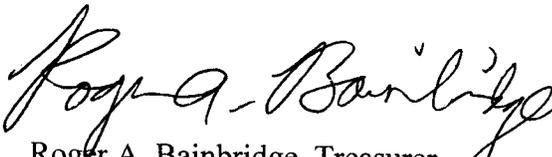
State Board of Accounts
302 W. Washington St., Room E 418
Indianapolis, IN 46204-2738

OFFICIAL RESPONSE

Regarding the "Timely Recordkeeping" issue, we were told very unequivocally by the Department of Local Government Finance that becoming current on property tax collections was paramount during the calendar year of 2005. Since the Grant County Council had reduced our staff, we were placed in a position of essentially choosing which responsibility we would let slide. The issue of interest entries to records was determined to be the least disruptive and potentially misleading to governmental functions because we were already in a deficit position, and were therefore obliged to defer any management decisions, informed or otherwise. The funds were present and earning interest, even more so because tax collections were becoming current. In other words, had we not chosen to become current on tax collections, the interest entry issue would not be nearly as large an issue in the first place.

The three checking accounts that are mentioned in the "Transaction Recording" comments had combined checkbook balances that were immaterial to the reporting of the cash position of the Grant County Treasurer's Office. There was some misunderstanding with a representative of the State Board of Accounts on correct procedures for the excise account, and this resulted in a continuance of the age-old practice of deposits being accumulated and recorded semimonthly or monthly. This archaic procedure has now been changed to having each individual deposit as being recorded into a new excise account, and that account is now with the same bank that services the county's main checking accounts. The other two accounts, which had been established with token or zero balances merely to temporarily hold property tax payments at area banks that were serving as collection points, have now been included as cashbook accounts.

Very truly yours,


Roger A. Bainbridge, Treasurer


Angela K. Rinker, Chief Deputy Treasurer