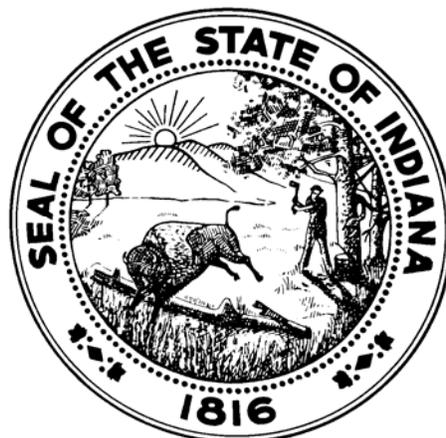


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
COUNTY AUDITOR
CLINTON COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
11/05/2007

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jacqueline R. Clements	08-26-04 to 12-31-10
President of the County Council	C. Steven Frey	01-01-06 to 12-31-07
President of the Board of County Commissioners	Wayne Williams Michael W. Conner	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
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TO: THE OFFICIALS OF CLINTON COUNTY

We have examined the records of the County Auditor for the period from January 1, 2006 to December 31, 2006, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Clinton County for the year 2006.

STATE BOARD OF ACCOUNTS

September 3, 2007

COUNTY AUDITOR
CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS - DRAINAGE FUNDS

As noted in the prior three reports, the Auditor's detailed drainage maintenance and General Drain Improvement Ledgers did not reconcile to the subsidiary controls; nor did they reconcile to the corresponding ledger accounts.

The Auditor did not implement effective controls which would facilitate the accurate accounting of County drainage funds. Without accurate and timely financial information, the County is unable to make informed decisions on the repair, maintenance, construction and/or reconstruction of the County drains. The Auditor should establish and implement controls which comply with the Accounting and Uniform Compliance Guidelines for Public Drainage Funds.

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 Auditors, Chapter 14)

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 Auditors, Chapter 14)

Every receipt posting and every disbursement posting to the General Improvement Fund and to the Drainage Maintenance Fund in the general ledger must be posted to a proper account in the subsidiary ledger. (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Fund, Chapter 9)

RECONCILIATION OF SUBSIDIARY LEDGERS - SURPLUS TAX

As of December 31, 2006, the subsidiary Surplus Tax Ledger balance was \$5,145.48 less than the related cash fund balance. Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control account. The officials are aware of the difference and are attempting to identify and correct the errors.

At all times, the manual and 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 Auditor's, Chapter 7)

COUNTY AUDITOR
CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PENALTIES, INTEREST AND OTHER CHARGES

Jail lease debt payments were made one to three days after the due dates, resulting in \$348.27 in additional interest charges being paid from governmental funds.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit 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

The Bioterrorism Fund, Juvenile Alternatives Incentive Block Grant Fund, Local Health Maintenance Fund, Step Ahead Grant Fund, and Courthouse Security Grant Fund were overdrawn at December 31, 2006, in the amounts of \$4,788, \$5,587, \$500, \$47, and \$11,250, respectively.

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
CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 4, 2007, with Jacqueline R. Clements, Auditor; C. Steven Frey, President of the County Council; and Michael W. Conner, President of the Board of County Commissioners.