

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

AUDIT REPORT

OF

COUNTY AUDITOR

LAWRENCE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

07/17/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Reconciliation of Subsidiary Ledgers	4
Appropriations.....	4
Exit Conference.....	5
Official Response	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Billie J. Tumey	01-01-05 to 12-31-08
President of the County Council	Ross Jean Mike Branham	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	William Spreen David A. Flinn	01-01-07 to 12-31-07 01-01-08 to 12-31-08



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 LAWRENCE COUNTY

We have audited the records of the County Auditor for the period from January 1, 2007 to December 31, 2007, 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 Lawrence County for the year 2007.

STATE BOARD OF ACCOUNTS

June 10, 2008

COUNTY AUDITOR
LAWRENCE COUNTY
AUDIT RESULTS AND COMMENTS

RECONCILIATION OF SUBSIDIARY LEDGERS

Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control accounts. The following errors were noted during the audit:

1. Surplus Tax Funds were not handled properly. Surplus Tax was not moved from the Treasurer's Daily Cash Book to the Auditor's Ledger as required. The Surplus Tax Fund Ledger, Form 65 STS, was not reconciled to the amount in the Surplus Tax Fund in the Auditor's Ledger. The balance in the Surplus Tax Fund in the Treasurer's Daily Cash Book and the Auditor's Ledger was \$2,929.03 less than the amount in the Surplus Tax Ledger, Form 65 STS.
2. Reconcilements were not made between the Treasurer's Monthly Financial Statement, Form 61, and the Auditor's Monthly Financial Statement, Form 61. On December 31, 2007, the Treasurer's Cash Book has a balance of \$20,380.65 less than the Auditor's Ledger.
3. The sum of the payroll withholding subaccount balances do materially agree with the control total as of December 31, 2007, but the individual withholding balances are not able to be reconciled to zero as of December 31, 2007.

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 14)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Excess Amount Expended
County Highway	\$ 107,008
Cumulative Bridge	74,117
Property Reassessment	168
Jail Lease Rental	1,190

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

COUNTY AUDITOR
LAWRENCE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 10, 2008, with Billie J. Tumey, Auditor. The official response has been made a part of this report and may be found on page 6.

The contents of this report were also discussed on June 10, 2008, with David A. Flinn, President of the Board of County Commissioners.

LAWRENCE COUNTY AUDITOR
BILLIE TUMEY
916 15TH STREET, ROOM 28
BEDFORD, IN 47421

June 16, 2008

Official Response to the 2007 State Board of Accounts Auditor Audit Results and
Comments

RECONCILIATION OF SUBSIDIARY LEDGERS

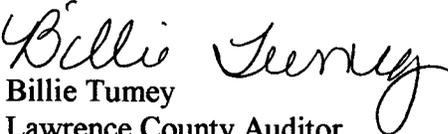
1. The Surplus Tax Funds was a problem in the 2006 audit. The Treasurer did not process and print the surplus/excess report at the correct time to balance to the fund balance. When the report was printed her office had already processed and made adjustments to surplus/excess amounts in the system. After the funds have been dormant for three years, the balance of this fund by state statute is deposited into the general fund, therefore it will resolve itself.
2. Reconcilements were not made timely with the Treasurer due to an error the Treasurer was having with processing receipts in the funds software.
3. We have resolved the payroll issue working with our funds software vendor to correctly distribute the sub accounts in the correct format.

APPROPRIATIONS

The additional expenditures in the Highway and Cumulative Bridge Funds were presented to the commissioners and council and were made prior to the 2006 audit informing the county to have DLGF approval. All current additional appropriations for all funds are being sent to the DLGF for approval. The administrative fee was not taken into account when the 2007 budget was presented for the Jail Lease Rental.

OVERDRAWN FUND BALANCES

The Victim Assistance Grant and the National Forrest Grant are both reimbursable funds. The Victim Assistance Grant Fund had a change in employee county benefits being distributed from the account, with the fund being reimbursable account the change was not noticed quickly.


Billie Tumey
Lawrence County Auditor