

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

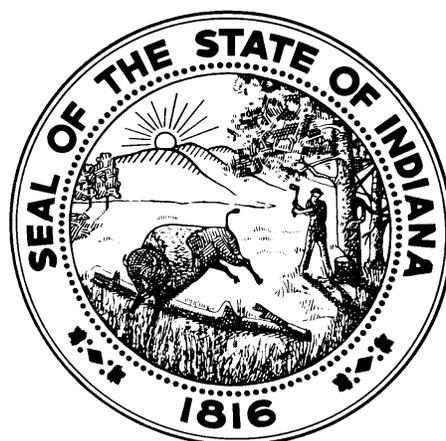
AUDIT REPORT

OF

COUNTY TREASURER

PERRY COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/19/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Martha Wooldridge	01-01-07 to 12-31-10
President of the County Council	Pete Franzman	01-01-07 to 12-31-08
President of the Board of County Commissioners	Louis Fortwendel Gary Dauby	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PERRY COUNTY

We have audited the records of the County Treasurer 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 Perry County for the year 2007.

STATE BOARD OF ACCOUNTS

August 18, 2008

COUNTY TREASURER
PERRY COUNTY
AUDIT RESULTS AND COMMENTS

COUNTY TREASURER'S MONTHLY REPORT AND BANK RECONCILEMENTS

Every County Treasurer's Monthly Report for 2007, except for January, was filed late. The late reports were filed from 5 to 73 days past the deadline. As of July 16, 2008, only the January and February 2008 County Treasurer's Monthly Reports had been filed with the County Auditor. The January 2008 monthly report was filed on March 25, 2008, which was 39 days late. The February 2008 report was filed on June 30, 2008, which was 151 days late.

This report shows the amounts with which the treasurer is chargeable for the various funds and accounts, the amounts with which the treasurer is credited for money on deposit and cash on hand, and any cash long or short at the close of each month. This report also serves as the Treasurer's monthly bank reconciliation. Therefore, the bank reconciliations are not being performed monthly as required.

On or before the 16th day of each month the treasurer shall prepare a report showing the financial condition of the office as of the close of business on the last day of the preceding month. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 4)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were present during our period of audit:

- (1) Several balances in the Treasurer's Daily Balance of Cash and Depositories (Cash Book) do not agree to the subsidiary ledgers or supporting documentation at December 31, 2007. As of July 16, 2008, these differences remain unresolved.

- (a) The balance of After Settlement Tax Collections per the Cash Book is \$8,257 higher than the Register of Taxes Collected by taxing unit per the file copy in the Treasurer's office. However, when another copy was printed from the computer on July 15, 2008, for December 31, 2007, the balance differed from the copy in the Treasurer's files. If this version were used, the difference would be \$1,808.58. The Treasurer stated that she does not know why the totals have changed, but it appears entries have been made using dates in the prior period. This can also result in delays or inaccuracies in advances and settlements of property taxes.

COUNTY TREASURER
PERRY COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (b) The balance of License Excise Tax per the Cash Book is \$115,925 higher than the after settlement End of Day License Excise Tax Reports. This can also result in delays or inaccuracies in advances and settlements of license excise tax.
 - (c) The balance of the Funds Ledger - Cash per the Cash Book is \$1,154 higher than both the balance per the Auditor's Funds Ledger and the Treasurer's amount in the monthly reconciliation between the Treasurer and Auditor. This is the result of posting errors in the Cash Book.
- (2) The Treasurer's Daily Balance of Cash and Depositories is not always used in the prescribed manner:
- (a) Receipts were often posted as negative disbursements.
 - (b) Receipts and disbursements made in the same day were sometimes posted as a net amount, thereby making it very difficult to verify receipts and disbursements.
 - (c) Columns and rows that are supposed to agree as a cross checking mechanism, do not always agree.
 - (d) The Cash Proof section of the Cash Book was not properly completed at any time during 2007.
 - (e) Checks received that are returned from the bank marked insufficient funds are not deducted from the affected taxing unit. Instead, they are posted to Cash Short for the day. Later, when a check is redeemed by the taxpayer, it is posted to Cash Long for the day. This results in an overstatement in Cash Long and Cash Short as well as an overstatement of taxes collected in the affected taxing unit until the check is redeemed.

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 Treasurers, Chapter 10)

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 Treasurers, Chapter 10)

COUNTY TREASURER
PERRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2008, with Martha Wooldridge, Treasurer. The official concurred with our audit findings.