

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

AUDIT REPORT

OF

COUNTY TREASURER

GRANT COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/25/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Roger A. Bainbridge	01-01-05 to 12-31-08
President of the Board of County Commissioners	Mark E. Bardsley	01-01-07 to 12-31-08
President of the County Council	Mike Scott	01-01-07 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 GRANT 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Grant County for the year 2007.

STATE BOARD OF ACCOUNTS

August 26, 2008

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances presented for audit contained unidentified variances each month from August 2007 through December 2007. The unidentified variances ranged from \$1,357 cash short at November 30 to \$4,211 cash long at December 31. The bank account reconciliations from February 2008 through July 2008 have not been completed as of August 11, 2008.

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."

COUNTY TREASURER
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2008, with Roger A. Bainbridge, Treasurer. 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 August 26, 2008, with Mike Scott, President of the County Council; and Mark E. Bardsley, President of the Board of County Commissioners.

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 4, 2008

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

OFFICIAL RESPONSE

This response is regarding the "BANK ACCOUNT RECONCILIATIONS" issue that is a comment on the Grant County audit for the year 2007. There was a major contributing factor to the circumstances that caused the balancing and reconciliation problems, and this response is being made to address that factor.

The factor was the Indiana State Board of Accounts auditor, who had been assigned to oversee Grant County's 2005 audit, using knowledge gained during that and previous audits to directly hire Grant County's Chief Deputy Treasurer away from her position to another one that the same State Board of Accounts auditor wished for her to take. This Chief Deputy had been employed by the Treasurer's office for more than nine years and had accumulated a wealth of knowledge and experience that could not be readily replaced. The action of the said State Board of Accounts auditor directly caused a workflow crisis in the Treasurer's office and led to the new Chief Deputy getting behind in her balancing and reconciliations. While procedural changes have been made that will avoid a repeat of these problems, should similar circumstances occur, I am firmly of the opinion that the problems would not have happened in the first place had the above-referenced State Board of Accounts auditor not unduly influenced the former Chief Deputy Treasurer to resign her position.

Very truly yours,



Roger A. Bainbridge, Treasurer