

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

AUDIT REPORT

OF

COUNTY TREASURER

LAWRENCE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

08/17/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Reconciliation of Treasurer's Daily Cash Book, Treasurer's Monthly Financial Statement, and Auditor's Funds Ledger	4
Bank Account Reconciliations	4
Cash Necessary to Balance, Bank Reconciliations.....	5
Posting Errors	5
Reconciliation of Detailed Excess Surplus Tax Lists to Funds Ledger	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debbie Thompson	01-01-05 to 12-31-12
President of the County Council	Mike Branham Keith Dillman	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	David A. Flinn Christopher May	01-01-08 to 12-31-08 01-01-09 to 12-31-09



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 Treasurer for the period from January 1, 2008 to December 31, 2008, 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 2008.

STATE BOARD OF ACCOUNTS

July 28, 2009

COUNTY TREASURER
LAWRENCE COUNTY
AUDIT RESULTS AND COMMENTS

RECONCILIATION OF TREASURER'S DAILY CASH BOOK, TREASURER'S
MONTHLY FINANCIAL STATEMENT, AND AUDITOR'S FUNDS LEDGER

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, 2008, the Treasurer's Ledger had a balance of \$29,078.13 more than the Auditor's Ledger.

Reconcilements were not made between the Treasurer's Daily Cash Book and the Treasurer's Monthly Financial Statement, Form 61. On December 31, 2008, the Treasurer's Daily Cash Book had a balance of \$1,264,540.23 more than the Treasurer's Monthly Financial Statement.

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 Treasurers, Chapter 10)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations were not completed monthly. Depository reconciliations of the fund balances to the bank account balances were incorrect. For December 31, 2008, a reconciliation was made between the bank and the Treasurer's Cash Book, but the Treasurer's Cash Book did not agree with the Funds Ledger. Additionally, some items were used in the reconciliation that could not be verified or were not reconciling items.

IC 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."

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)

COUNTY TREASURER
LAWRENCE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated cash necessary to balance, cash short, of \$912.43.

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)

POSTING ERRORS

There were a considerable number of posting errors in the Treasurer's Daily Cash Book. Some transactions were recorded in the disbursement column of the Taxing Unit section and then added to the ending daily balance. There were instances in which the day's receipt, disbursement, and balance columns did not foot. There were instances where the day's beginning balances did not agree with the previous day's ending balance.

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)

RECONCILIATION OF DETAILED EXCESS SURPLUS TAX LISTS TO FUNDS LEDGER

Surplus Tax Funds were not handled properly. The Treasurer's Surplus Tax Fund Detail was not reconciled to the Surplus Tax amount in the Treasurer's Cash Book and Surplus Tax Funds in the Auditor's Ledger. The balance of the Surplus Tax in the Treasurer's Daily Cash Book and the Auditor's Ledger was \$9,290.98 more than the amount in the Surplus Tax Fund Detail.

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 Treasurers, Chapter 10)

COUNTY TREASURER
LAWRENCE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 28, 2009, with Debbie Thompson, Treasurer; and Christopher May, President of the Board of County Commissioners.