

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

AUDIT REPORT

OF

COUNTY TREASURER

VERMILLION COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

10/30/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Phyllis Orman Wendy Farley	01-01-05 to 12-31-08 01-01-09 to 12-31-12
President of the County Council	John Yoho (Vacant) John A. Cheesewright	01-01-08 to 06-06-08 06-07-08 to 07-13-08 07-14-08 to 12-31-09
President of the Board of County Commissioners	Tim J. Wilson	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF VERMILLION 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 Vermillion County for the year 2008.

STATE BOARD OF ACCOUNTS

September 30, 2009

COUNTY TREASURER
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

During 2008, monthly reconcilements were made between the bank accounts and the Treasurer's Cash Book; however, some items were used in the reconcilements that could not be verified or were not reconciling items. The depository reconciliations of the fund balances to the bank account balances were incorrect.

A comparison of the records to the bank account indicated cash necessary to balance of \$6,560 as of December 31, 2008.

On September 21, 2009, Wendy Farley, Treasurer, provided adequate documentation to support adjustments to the reconciling items which resulted in the reconciled bank account balances as of June 30, 2009, being greater than the record balances in the amount of \$1,715. She is continuing to review the reconciling items as well as implementing procedures to identify posting and other errors more timely in order to facilitate more accurate bank account reconcilements.

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."

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 of Indiana, Chapter 4)

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 of Indiana, Chapter 10)

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 Cash Book had a fund ledger cash balance of \$95,236 more than the Auditor's Ledger.

COUNTY TREASURER
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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 of Indiana, Chapter 10)

POSTING ERRORS

There were a considerable number of posting errors in the Treasurer's Daily Cash Book. Several disbursements were not posted to the funds ledger cash section. Some transactions were not posted to the appropriate bank account. Errors were also made posting the detail of one of the tax advances.

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 of Indiana, Chapter 10)

INTEREST ON INVESTMENTS

Interest earned on three certificates of deposit investments has been automatically added to the principal and not recorded in the records for several years. The total amount of unrecorded interest was \$51,131.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 15)

COUNTY TREASURER
VERMILLION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2009, with Phyllis Orman, former Treasurer; Wendy Farley, Treasurer; Tim J. Wilson, President of the Board of County Commissioners; and John A. Cheesewright, President of the County Council. The officials concurred with our audit findings.