

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

EXAMINATION REPORT
OF
COUNTY TREASURER
CRAWFORD COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED

01/19/2010

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Edna M. Brown	01-01-05 to 12-31-12
President of the County Council	Jerry Brewer	01-01-08 to 12-31-09
President of the Board of County Commissioners	Larry G. Bye	01-01-08 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 CRAWFORD COUNTY

We have examined 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Crawford County for the year 2008.

STATE BOARD OF ACCOUNTS

November 16, 2009

COUNTY TREASURER
CRAWFORD COUNTY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL RECEIPTS

Receipts used by the County Treasurer are not prescribed by or approved by the State Board of Accounts. The receipts used are duplicate receipts; however, they are not prenumbered by the printing company.

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)

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. State Bureau of Motor Vehicle funds were transferred to the County Treasurer's bank account by electronic fund transfers. On two occasions, the receipt date, the date posted to the Treasurer's Daily Balance of Cash and Depositories, and the deposit date did not agree.

<u>Receipt Number</u>	<u>Receipt Date</u>	<u>Amount</u>	<u>Deposit Date</u>	<u>Posted Date</u>
259	12-30-08	\$ 625.17	12-31-08	01-06-09
260	12-30-08	8,079.41	01-05-09	01-06-09

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
CRAWFORD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

RECONCILIATION OF SUBSIDIARY LEDGERS AND CASH NECESSARY TO BALANCE

Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control account.

The December 31, 2008, bank reconciliation indicated the adjusted bank balance was \$11,111.33 less than the book balance in the Treasurer's Daily Balance of Cash and Depositories Ledger.

The Treasurer should have disbursed \$14,984.61 from Boat Excise Tax and \$5.25 from Aircraft License Excise Tax in 2008. Instead, \$14,989.86 was posted as Vehicle License Excise Tax account disbursements in the Treasurer's Daily Balance of Cash and Depositories Ledger.

On December 31, 2008, the Treasurer's Monthly Financial Statement, Form 61, was \$5, 043.41 less than the Auditor's Monthly Financial Statement, Form 61.

The Treasurer's Daily Balance of Cash and Depositories Ledger had a funds ledger balance of \$8,903,423.30 on December 31, 2008. The actual balance on that date should have been \$8,879,478.61.

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)

COUNTY TREASURER
CRAWFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 16, 2009, with Edna M. Brown, Treasurer. The official response has been made a part of this report and may be found on pages 7 and 8.

CRAWFORD COUNTY TREASURER'S OFFICE
715 JUDICIAL PLAZA DRIVE
ENGLISH IN 47118
EDNA M. BROWN, TREASURER
KELLI SLAUGHTERBACK, 1ST DEPUTY
812-338-2651
FAX 812-338-2507

November 24, 2009

To Whom It May Concern:

I am writing this in response to the recent audit held by the State Board of Accounts with the Crawford County Treasurer's Office.

In response to the OFFICIAL RECEIPTS finding I have never been told to have numbered receipts before this audit. I have since ordered pre-numbered receipts and will begin using them as soon as they are received by this office.

In the INTERNAL CONTROLS 2 receipts were dated 12-30-08 and did not go in the bank until 1-6-09. This office is unable to explain step by step exactly what took place but can assure you that the Treasurer was off for surgery and steps had been taken to run this through that the deputy misunderstood the instructions of Treasurer and misdated the receipts. Error was corrected.

In response to the RECONCILIATION OF SUBSIDIARY LEDGERS AND CASH NECESSARY TO BALANCE the December 31, 2008 bank reconciliation did not balance but due to errors that were corrected in January 2009 the bank statement did balance. The Treasurer's Monthly Financial Statement was not in balance by 5043.41 but was found on January 20, 2009. A receipt had been posted on December 18, 2008 and again on December 30, 2009. Per the 14,989.86 that was posted to the Vehicle License Excise Tax account see attached letter from Deputy Auditor, Dennie Stroud.

Thank you for your time in this matter.

If you have any further questions regarding this issue please feel free to contact me.

Sincerely,



Edna M. Brown,
Crawford County Treasurer

Friday, November 20, 2009

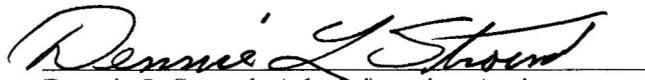
RE: Excise Tax Distribution for Settlement of Taxes

The County Auditor's office is responsible for documenting excise tax receipts to be distributed among each qualifying taxing unit. Reports of Collections are provided to the county auditor by the Bureau of Motor Vehicles (BMV).

The County Treasurer provides receipts for deposits by the Auditor of State's Office for BMV excise distributions to the County Auditor. The administrative assistant in the County Auditor's office is responsible for documenting the breakdown of receipt types (Auto, Lottery Tax Credit, Watercraft, Auto Rental and Aircraft Excise Taxes) and the amounts posted to each taxing district.

During the 2008 Audit performed by Phyllis Moffat, State Board of Accounts, Ms Moffat commented that the County Treasurer had moved only Auto Excise to the settlement account and not the other excise taxes.

As the Administrative Assistant to the County Auditor I had provided a single number for excise tax to move rather than a breakdown from each category. My only excuse is lack of experience. After our discussion, I realized that I should have given the County Treasurer a break-down of the different types of excise taxes. Further, it was pointed out that in order to properly balance between the Auditor and Treasurer, we now balance by total funds in each category rather than balance by total excise funds.


Dennie L Stroud, Administrative Assistant


DATE: