

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

AUDIT REPORT
OF
COUNTY TREASURER
DELAWARE COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED

08/26/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	John Dorer	01-01-09 to 12-31-12
President of the County Council	Christopher Matchett James King	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Todd Donati	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the County Treasurer for the period from January 1, 2010 to December 31, 2010, 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 Delaware County for the year 2010.

STATE BOARD OF ACCOUNTS

June 29, 2011

COUNTY TREASURER
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS - TREASURER

Depository reconciliations of the fund balances to the bank account balances were materially incorrect. The December 31, 2010 reconciliation provided for audit contained unidentified differences in excess of \$5,400,000. There were numerous posting errors both to the Auditor's funds ledger and to the Treasurer's Cash book including wire transfers that were not posted to the unit's records, beginning balances different than the prior days ending balances, bank transfers posted to the wrong bank, amounts posted without explanation, and investment transactions and ACH transfers posted improperly on the Auditor's ledger.

Indiana Code 5-13-6-1(e) states in part: "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 Treasurers of Indiana, Chapter 10)

INTERNAL CONTROLS - RECEIPTS

Controls for receipts generated by the Treasurer are insufficient:

1. Receipts for ditch reconstruction payments cannot be entered into the tax system. Therefore, there is no receipt retained for those transactions and no indication of which cashier received the payment or the payment method.
2. Reconstruction transactions are not recorded in either the Treasurer's or the Auditor's accounting system. A manual list of the transactions is kept for settlement.
3. All cashiers work from the same cash drawers.
4. The end of day work turned in to bookkeeping was often inaccurate or incomplete.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

SETTLEMENT OF TAXES COLLECTED

As noted in the previous report, the following deficiencies relating to the tax collection system were present during our period of audit:

1. Tax duplicates prepared by the system did not agree to the abstract or the apportionment sheets.
2. Apportionment sheets generated by the system were incorrect.
3. Reports generated by the system contained numerous errors delaying the settlement of the fall 2010 collections until February 28, 2011.
4. The subsidiary ledger for the Drainage Maintenance Fund and the General Drain Improvement Fund could not be reconciled to the detail of assessments payable. The unit's computer system did not provide detail of assessments charged or unpaid.

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 Treasurers of Indiana, Chapter 10)

Indiana Code 6-1.1-27-1 states:

(a) On or before June 20th and December 20th of each year, the county auditor and the county treasurer shall meet in the office of the county auditor. Before each semi-annual meeting, the county auditor shall complete an audit of the county treasurer's monthly reports required under IC 36-2-10-16. In addition, the county auditor shall:

- (1) prepare a certificate of settlement on the form prescribed by the state board of accounts; and
- (2) deliver the certificate of settlement to the county treasurer at least two (2) days before each semi-annual meeting.

(b) If any county treasurer or auditor refuses, neglects, or fails to distribute tax money due to a tax unit on or before the fifty-first day immediately following each property tax due date under IC 6-1.1-22-9 or IC 6-1.1-37-10, whichever applies, the county treasurer and auditor shall pay to the taxing unit from the county general fund interest on the taxing unit's undistributed tax money if the county treasurer and auditor invest undistributed tax money in an interest bearing investment. The amount of interest to be paid equals the taxing unit's proportionate share of the actual amount of interest which is received from investments of the undistributed tax money from the fifty-second day immediately following the property tax due date under IC 6-1.1-22-9 or IC 6-1.1-37-10, whichever applies, to the date that the tax money is distributed."

COUNTY TREASURER
DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2011, with John Dorer, Treasurer.