

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

AUDIT REPORT

OF

COUNTY TREASURER

MONROE COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**

08/29/2011



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Catherine Smith	01-01-09 to 12-31-12
President of the County Council	Geoff McKim Julie Thomas	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Patrick Stoffers	01-01-10 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MONROE COUNTY

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 Monroe County for the year 2010.

STATE BOARD OF ACCOUNTS

August 1, 2011

COUNTY TREASURER  
MONROE COUNTY  
AUDIT RESULTS AND COMMENTS

***DIFFERENCE BETWEEN AUDITOR'S FUNDS LEDGER AND TREASURER'S CASH BOOK***

At December 31, 2010, the County Treasurer's Monthly Daily Balance of Cash and Depositories reported cash fund balance of \$54,741,009.43. This is the amount that the County Treasurer attempted to reconcile to the bank. However, the cash balance reported in the Monthly Financial Statement for December 2010 by the County Auditor and County Treasurer was \$54,745,975.35. Therefore, the funds ledger cash reported in the County Treasurer's Daily Balance of Cash and Depositories was \$4,965.92 less than reported in the Monthly Financial Statement. Further review revealed that this difference was not consistent from month to month. The County Treasurer should determine the cause for these differences.

It is crucial that the Monthly Financial Statement cash balance of all funds prepared by the County Auditor and the fund ledger cash balance used in the bank reconciliation prepared by the County Treasurer agree. The fund ledger cash reported in the Monthly Financial Statement should also agree with the amount reported in the County Treasurer's Daily Balance of Cash and Depositories. When the County Treasurer is reconciling the bank accounts, any reconciling items need to be clearly identified and investigated to determine the appropriate action to resolve them. Any activity going through the bank account that is not supported by a warrant or quietus needs to be researched and corrected. The only activity to the funds ledger cash line on the County Treasurer's Daily Balance of Cash and Depositories should be a warrant or quietus issued by the County Auditor. Continued failure to reconcile may affect the opinion on the County's financial statements.

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)

***BANK ACCOUNT RECONCILIATIONS***

Depository reconciliations of the fund balances to the bank account balances were incorrect for December 31, 2010. The County Treasurer reconciled to a balance that did not agree with the County Auditor's funds ledger or the County Treasurer's electronic ledger.

A comparison of the records to the bank accounts indicated cash short of \$5,254.79 at December 31, 2010.

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 County Treasurers of Indiana, Chapter 10)

COUNTY TREASURER  
MONROE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2011, with Patrick Stoffers, President of the Board of County Commissioners; Julie Thomas, President of the County Council; Marty Hawk, County Council member; Kevin W. Dogan, District County Administrator; Michael Flory, Council Attorney; Catherine Smith, Treasurer; and Hans Huffman, Chief Deputy Treasurer.