

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

AUDIT REPORT

OF

COUNTY TREASURER

ALLEN COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED

09/07/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Misappropriation of Interest Earned	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Susan L. Orth	01-01-09 to 12-31-12
President of the County Council	Paula S. Hughes Darren E. Vogt	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Linda K. Bloom F. Nelson Peters	01-01-10 to 12-31-10 01-01-11 to 12-31-11



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 ALLEN 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 Result and Comment. The financial transactions of this office are reflected in the Annual Financial Report of Allen County for the year 2010.

STATE BOARD OF ACCOUNTS

August 9, 2011

COUNTY TREASURER
ALLEN COUNTY
AUDIT RESULT AND COMMENT

MISAPPROPRIATION OF INTEREST EARNED

While reviewing one of the monthly depository reconcilements, the County Treasurer discovered interest earned from various depository accounts was used to pay off nonsufficient funds checks. An internal audit performed by the County Treasurer discovered that an employee of the Treasurer's office was misappropriating interest earned from various depository accounts to pay off nonsufficient funds checks. The County Treasurer has identified specific taxpayers who used nonsufficient funds checks to pay for their property taxes. As of June 2011, the County Auditor has properly recharged \$26,149 onto those taxpayers' duplicates whom used nonsufficient funds checks for payment of property taxes. Unrecoverable interest lost by the County amounted to \$35,390. The County is currently pursuing prosecution of the above employee for corrupt business practices and theft.

"When it is determined that the return item is uncollectible, the treasurer shall attach all related documents to a regular claim to be presented to the board of county commissioners, with an explanation. Upon the commissioner's approval of payment from the general fund, without appropriation, the county warrant is placed in the cash drawer to replace the uncollectible item and deposited as other checks. The amount of tax shall be recharged on the proper duplicate by the auditor." (The County Bulletin and Uniform Compliance Guidelines, October 2005).

COUNTY TREASURER
ALLEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 4, 2011, with F. Nelson Peters, President of the Board of County Commissioners; and Therese M. Brown, County Commissioner.

The contents of this report were discussed on August 9, 2011, with Susan L. Orth, Treasurer. The official concurred with our audit finding.