

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

AUDIT REPORT

OF

COUNTY TREASURER

STARKE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED

01/25/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Linda L. Belork Kasey Clark (Deputy) Kasey Clark (Interim) Linda L. Belork	01-01-09 to 08-11-11 08-12-11 to 11-30-11 12-01-11 to 10-01-12 10-02-12 to 12-31-12
President of the County Council	Mark C. Smith Dave Pearman	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	Daniel D. Bridegroom Kathryn Norem	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
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TO: THE OFFICIALS OF STARKE COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2011 to December 31, 2011, 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 Starke County for the year 2011.

STATE BOARD OF ACCOUNTS

August 23, 2012

COUNTY TREASURER
STARKE COUNTY
AUDIT RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

The Treasurer's August 31, 2011 monthly report shows a cash short amount of \$38,832. The prior report, file number B39191, included two audit exceptions describing numerous financial accounting deficiencies and internal control weaknesses. The exceptions included a schedule showing variances between the monthly report and the Treasurer's daily cash book ledger. The report variances for the last four months of 2010 were \$4,485,853; \$5,234,563; \$3,982,938; and \$2,092,279.

At its August 11, 2011 meeting, the Board of County Commissioners approved terminating the employment of all employees in the County Treasurer's office, effective immediately. The Commissioners also approved filing a lawsuit on the Treasurer's official bond and seeking a temporary restraining order excluding the Treasurer, Linda Belork, from the office.

The County Auditor assisted the newly appointed Deputy Treasurers in attempting to correct the County Treasurer's financial records' errors and improving internal controls. The Treasurer's September 30, 2011 monthly report cash short variance was \$4,182. The December 31, 2011 report cash short was \$1,188 and the June 30, 2012 variance was zero.

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)

DELINQUENT PERSONAL PROPERTY TAX

After November 10, 2010, and prior to August 1, 2011, the County Treasurer did not serve written demand to taxpayers who had not paid their personal property tax.

The county treasurer has the duty to enforce the collection of delinquent personal property taxes, including taxes on mobile homes. Annually, after November 10 and prior to the first day in August of the succeeding year, each treasurer shall serve a written demand by registered or certified mail, delivered in person by the treasurer or by the treasurer's agent, or by proof of certificate of mailing, upon every resident of

COUNTY TREASURER
STARKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

the county who has not paid the personal property tax due. The demand shall contain a statement that the taxpayer is delinquent in the payment of taxes, the amount of the delinquency with the penalties and the collection expenses, and that if such amount is not paid within thirty (30) days from the date of the demand sufficient personal property of the taxpayer shall be sold to satisfy such amount or that a judgment may be entered against him/her in the circuit court. [IC 6-1.1-23-1]

In the year following any year in which a delinquency in the payment of any installment of taxes on personal property has occurred, and a demand for payment has been made pursuant to IC 6-1.1-23-1, and any amount for which demand was so made remains unpaid after sixty (60) days from the date of said demand, the treasurer shall prepare a record of all such delinquencies. The record shall state the name of the taxpayer who is personally liable for the taxes as shown by the tax duplicate, the last known address of the taxpayer, the date when the last installment of tax included therein became delinquent and the amount of all taxes, penalties and costs for which demand had been made and which remains unpaid. The record provided shall be in form prescribed or approved by the State Board of Accounts. The treasurer shall swear to the accuracy of the record prepared by him/her before the clerk of the circuit court. The treasurer shall thereupon deposit the record in the office of the clerk of the circuit court. On and after deposit of such record in the office of the clerk of the circuit court, the amounts of delinquent taxes, penalties and costs stated therein shall constitute a debt of the person named, which debt shall in all respects have the same force and effect as judgments. [IC 6-1.1-23-9] The judgments so entered shall be in favor of the county for the benefit of all taxing districts having an interest therein. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 8)

COUNTY TREASURER
STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 13, 2012, with Kasey Clark, Treasurer; Kathryn Norem, President of the Board of County Commissioners; and with Dave Pearman, President of the County Council. The officials concurred with our audit findings.

This report was also discussed on August 23, 2012, with Linda L. Belork, former County Treasurer. The official indicated that she would be responding to the report but no officials response was received.