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

EXAMINATION REPORT
OF
COUNTY TREASURER
TIPTON COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
02/18/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bonita Guffey	01-01-11 to 12-31-14
President of the County Council	Madonna Alderson	01-01-11 to 12-31-11
	Scott Friend	01-01-12 to 12-31-12
	Dennis Henderson	01-01-13 to 12-31-13
President of the Board of County Commissioners	Mike Cline	01-01-11 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF TIPTON 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Tipton County for the year 2011.

STATE BOARD OF ACCOUNTS

December 6, 2012

COUNTY TREASURER
TIPTON COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the Treasurer's Daily Balance of Cash and Depositories (ledger) balance to the bank account balances were incorrect. The December 31, 2011 bank reconciliation presented for examination indicated that reconciled bank balances were more than ledger balances by \$261.83. The County retained an outside consultant to reconcile the ledger to the reconciled bank balances. Before adjustments noted by the consultant, the reconciled bank balance was \$374,395.17 more than ledger balances.

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

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were present during our period of examination:

- (1) There were a considerable number of posting errors on the Treasurer's Daily Balance of Cash and Depositories (ledger). These errors included payroll totals and payroll withholding remittances not recorded on the ledger in the proper amounts, interest not posted, nonsufficient funds checks incorrectly posted, disbursements posted to the wrong bank account on the ledger, adjustments to the ledger incorrectly made, voided checks not posted correctly to the ledger, incorrect postings of electronic funds transfers, and incorrect postings of cash disbursements.

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, Chapter 10)

- (2) The total amount of funds ledger cash and fund ledger investments as shown on the Treasurer's cash book at December 31, 2011, totaled \$284,875 more than the total of funds ledger cash as shown on the records of the County Auditor.

Each month, the Auditor and Treasurer shall prepare a monthly financial statement and reconcile cash and investment balances as shown on the statements. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 1)

COUNTY TREASURER
TIPTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

MONTHLY FINANCIAL REPORT

The County Treasurer did not prepare the Treasurer's Monthly Report for the months of August of 2011 through December 2011.

Indiana Code 36-2-10-16(a) states:

"Before the sixteenth day of each month, the treasurer shall prepare a report showing, as of the close of business on the last day of the preceding month, the following items:

- (1) The total amount of taxes collected and not included in the last semiannual settlement of taxes, and the amount of taxes omitted from any preceding semiannual settlements, except for taxes advanced to the state or a municipal corporation in the county and for which an advance settlement has been made.
- (2) The total amount of distributions under IC 6-5.5 that are not included in the last semiannual settlement of taxes, and the amount of those taxes omitted from any preceding semiannual settlements.
- (3) The totals of money received from all other sources and not receipted into the ledger fund accounts of the county at the end of the month.
- (4) The total of the balances in all ledger fund accounts.
- (5) The total amount of cash in each depository at the close of business on the last day of the month.
- (6) The total of county warrants issued against each depository that are outstanding and unpaid at the end of the month.
- (7) The record balance of money in each depository at the end of the month.
- (8) The cash in the office at the close of the last day of the month.
- (9) Other items for which the treasurer is entitled to credit.

The treasurer shall prepare the report in quadruplicate and verify each copy. The treasurer shall retain one (1) copy as a public record and file three (3) copies with the county auditor. The state board of accounts shall prescribe forms for the report in the detail it considers necessary under this section and IC 5-13-6-1."

TIMELY RECORDKEEPING

We noted six instances where Motor Vehicle Excise Tax Replacement deposits made to the Treasurer's bank account by the Auditor of State were not posted to the Treasurer's cash book for periods ranging from 20 to 49 days after the deposit.

COUNTY TREASURER
TIPTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapters 10 and 12)

COUNTY TREASURER
TIPTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 29, 2012, with Bonita Guffey, Treasurer. The official concurred with our examination findings.

The contents of this report were discussed on December 3, 2012, with Jane Harper, County Commissioner. The official concurred with our examination findings.

The contents of this report were discussed on December 3, 2012, with Phil Herron, County Commissioner. The official concurred with our examination findings.

The contents of this report were discussed on December 6, 2012, with Mike Cline, President of the Board of County Commissioners; Beth Roach, County Council member; and Gregg Townsend, County Auditor.