

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

AUDIT REPORT

OF

COUNTY TREASURER

CASS COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
07/25/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dawn Conner-Kraud Dianna Moore (Interim) Kathleen Adair	01-01-09 to 06-10-12 06-11-12 to 06-27-12 06-28-12 to 12-31-16
President of the County Council	George Stebbins	01-01-12 to 12-31-13
President of the Board of County Commissioners	David Arnold	01-01-12 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF CASS COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2012 to December 31, 2012, 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 Cass County for the year 2012.

STATE BOARD OF ACCOUNTS

July 11, 2013

COUNTY TREASURER
CASS COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient as the Treasurer did not reconcile the cash book since September 6, 2012. The Treasurer's cash book does not agree with the bank balances or the Auditor's fund ledger.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation contained errors. The errors included:

1. Posting errors.
2. Checks and receipts not recorded in the proper amounts.
3. Interest not posted.
4. Nonsufficient funds checks incorrectly posted.
5. Dockets not posted.
6. Receipts not posted.

Additionally, depository reconciliations prepared as of December 31, 2012, did not reconcile to the fund balances shown on the County's records. The reconciled bank balance was \$15,058 less than the amount shown on the County ledgers.

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 Guidelines Manual for County Treasurers Chapter 10)

COUNTY TREASURER
CASS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 11, 2013, with Kathleen Adair, Treasurer; David Arnold, President of the Board of County Commissioners; and George Stebbins, President of the County Council. The officials concurred with our audit findings.