

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

AUDIT REPORT

OF

COUNTY TREASURER

CLINTON COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**

10/07/2013



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Condition of Records .....	4
Bank Account Reconciliations .....	4
Exit Conference.....	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Treasurer	Ron Niemesh	09-27-10 to 12-31-16
President of the County Council	Steve Woods Alan Dunn	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the Board of County Commissioners	Mike Beard Skip Evans	01-01-12 to 12-31-12 01-01-13 to 12-31-13



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF CLINTON 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 Clinton County for the year 2012.

STATE BOARD OF ACCOUNTS

July 25, 2013

COUNTY TREASURER  
CLINTON COUNTY  
AUDIT RESULTS AND COMMENTS

**CONDITION OF RECORDS**

The following deficiencies relating to recordkeeping were present during the audit period:

The total amount of funds ledger cash and investments as shown on the Treasurer's cash book was \$40,502.45 more than was shown on the funds ledgers of the County Auditor and the County Treasurer at December 31, 2012.

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 of Indiana, Chapter 1)

**BANK ACCOUNT RECONCILIATIONS AND INTERNAL CONTROLS**

Depository reconciliations of the Treasurer's Daily Balance and Depositories (ledger) to bank account balances were incorrect. The bank reconciliation presented for audit indicated that reconciled bank balances were more than ledger balances by \$21,944.28. A cash necessary to balance (cash short) of \$45,080.58 from prior years is still being carried on the Treasurer's bank reconciliation as a reconciling item. Outstanding check amounts as listed on the Treasurer's bank reconciliations for the months of July 2012 through December 2012 were different than the total of the outstanding checks per the lists presented for audit for those months. The total outstanding checks per the list presented for audit at December 31, 2012, was \$21,505.44 less than the outstanding checks as noted on the bank reconciliation performed by the Treasurer.

In addition, the depository reconciliations of the cash book balances to reconciled bank account balances were not done on a timely basis. The January 2012 bank reconciliation was prepared on a timely basis; however, the February 2012 bank reconciliation was not completed until February 25, 2013; the March 2012 through September 2012 bank reconciliations were not completed until May 29, 2013, and the October 2012 through December 2012 bank reconciliations were not prepared until June 7, 2013.

Also, controls had not been established to segregate duties related to bank reconciliations.

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, Chapter 10)

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 all 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)

COUNTY TREASURER  
CLINTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2013, with Ron Niemesh, Treasurer; Skip Evans, President of the Board of County Commissioners; and Steve Frey, County Council member.