

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

AUDIT REPORT

OF

COUNTY TREASURER

CRAWFORD COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
10/08/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Bank Account Reconciliations	4
Condition of Records	4-5
Internal Controls	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelli R. Slaughterback	01-01-11 to 12-31-16
President of the County Council	Jerry Brewer	01-01-12 to 12-31-13
President of the Board of County Commissioners	James E. Schultz Randy Gilmore	01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CRAWFORD 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 Crawford County for the year 2012.

STATE BOARD OF ACCOUNTS

August 15, 2013

COUNTY TREASURER
CRAWFORD COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations contained errors and did not agree with the financial records. A comparison of the records to the bank accounts indicated cash necessary to balance of \$16,032.08. There were adjustments made with no supporting documentation.

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 of Indiana, Chapter 10).

CONDITION OF RECORDS

The County Treasurer's Daily Balance of Cash and Depositories, Form 47, reported a cash fund balance of \$6,085,511.86 at December 31, 2012. However, the cash balance reported in the Monthly Financial Statement for December 31, 2012, by the County Auditor and County Treasurer was \$6,095,250.14. Therefore, the funds ledger cash reported in the County Treasurer's Daily Balance of Cash and Depositories was \$9,738.28 less than reported in the Monthly Financial Statement. Further review revealed that this difference was not consistent from month to month. The County Treasurer should determine the cause for these differences.

It is crucial that the Monthly Financial Statement cash balance of all funds prepared by the County Auditor and the fund ledger cash balance used in the bank reconciliation prepared by the County Treasurer agree. The fund ledger cash reported in the Monthly Financial Statement should also agree with the amount reported in the County Treasurer's Daily Balance of Cash and Depositories. When the County Treasurer is reconciling the bank accounts, any reconciling items need to be clearly identified and investigated to determine the appropriate action to resolve them. Any activity going through the bank account that is not supported by a warrant or quietus needs to be researched and corrected. The only activity to the funds ledger cash line on the County Treasurer's Daily Balance of Cash and Depositories should be a warrant or quietus issued by the County Auditor. Continued failure to reconcile may affect the opinion on the County's financial statement.

COUNTY TREASURER
CRAWFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. Record balances were not fully reconciled to depository balances during the audit period. Monthly reconcilements presented for audit indicated there is no proper management oversight or approval of the monthly reconcilements being performed.

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.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

COUNTY TREASURER
CRAWFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 15, 2013, with Kelli R. Slaughterback, Treasurer. The official indicated that she would be responding to the report but no Official Response was received.

The contents of this report were also discussed on August 13, 2013, with Randy Gilmore, President of the Board of County Commissioners, and Jerry Brewer, President of the County Council.