

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

EXAMINATION REPORT
OF
COUNTY TREASURER
BENTON COUNTY, INDIANA
January 1, 2013 to December 31, 2013



FILED
02/06/2015

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Peggy D. Puetz	01-01-13 to 12-31-16
President of the Board of County Commissioners	Bryan Berry	01-01-13 to 12-31-14
President of the County Council	Alan J. Adwell	01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF BENTON COUNTY

We have examined the records of the County Treasurer for the period from January 1, 2013 to December 31, 2013, 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 Benton County for the year 2013.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 10, 2014

COUNTY TREASURER
BENTON COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Reconciliations of the Treasurer's Cash Book balances to the depository balances were accurately performed. However, the Treasurer's Cash Book balance did not agree with the Auditor's funds ledger balance. On December 31, 2013, the Auditor's funds ledger reported a balance of \$10,295,425.40, the Treasurer reported a balance of \$10,292,991.60; a difference of \$2,433.80. Corrections for errors in 2013 made in January 2014 decreased the difference to \$288.88; however, the errors were not noted on the December 2013 reconciliation.

The Monthly Financial Statement, Form 61, is a permanent record prepared from the treasurer's funds ledger at the close of each month. It is prepared after all postings to the ledger have been completed for the month and reflects the total receipts and disbursements and the balance for each fund for the month and for the year to date. The statement must agree with a similar statement kept by the county auditor, giving consideration to any adjustments required to reconcile the ledgers of the two offices. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 4)

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 and County Auditor Excise Tax Reconciliation at Settlement Worksheet (settlement worksheet) for the Spring 2013 settlement was not completed correctly. The Treasurer used the cut-off date of May 10, 2013, instead of the Settlement Certification date of June 4, 2013.

The Treasurer also incorrectly completed the settlement worksheet for the Fall 2013 settlement. The cut-off date was used instead of the total excise tax collected per the Cash Book on the Settlement Certification date. In addition, the 49TC for Licensed Excise Tax Collected reported the amount on the cut-off date instead of the Settlement Certification date.

COUNTY TREASURER
BENTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

At the time of each semiannual tax settlement the county treasurer shall report such tax collections together with the auto rental excise tax and aircraft license excise tax collections discussed in this section, on County Form No. 49TC, County Treasurer's Certificate of Tax Collections, and the total shown by the auditor's records shall be verified with the treasurer's Certificate of Tax Collections, and the total shown by the auditor's records shall be verified with the treasurer's certificate before distribution is made. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 6)

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 of Indiana, Chapter 10)

OFFICIAL BOND

The Treasurer's Surety Bond was insufficient per the Indiana Code. The Treasurer's Surety Bond was for \$75,000. The receipts for 2012 were in excess of \$12 million; therefore, the bond should have been no less than \$300,000.

Indiana Code 5-4-1-18 states in part:

"(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

COUNTY TREASURER
BENTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2014, with Alan J. Adwell, President of the County Council; Bryan Berry, President of the Board of County Commissioners; Patricia A. Clouse, Auditor; and Terry Poindexter, Deputy Treasurer.