

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

COUNTY TREASURER

TIPTON COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
05/08/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Treasurer	Bonita Guffey Suzanne Alexander	01-01-11 to 12-31-14 01-01-15 to 12-31-18
President of the County Council	Dennis Henderson James L. Powell	01-01-13 to 12-31-14 01-01-15 to 12-31-15
President of the Board of County Commissioners	Mike Cline Phil Heron Joe VanBibber	01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF TIPTON COUNTY, INDIANA

This report is supplemental to our examination report of Tipton County (County), for the period from January 1, 2013 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the County Treasurer. It should be read in conjunction with our Financial Statement Examination Report of the County, which provides our opinions on the County's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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

March 5, 2015

COUNTY TREASURER
TIPTON COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the County Treasurer's bank reconciliation at December 31, 2013, did not balance. Reconciliations were not accurately performed for the examination period due to a voluminous number of posting errors in the Treasurer's Cash Book dating back to 2011. The County retained the services of an outside consultant to locate these errors and to make correcting entries to the County Treasurer's Cash Book. Most of these corrections were posted to the cash book in June 2013. A review of the depository reconciliations performed in 2013 reflected variances ranging from cash necessary to balance of \$564,669 in January 2013 to cash long of \$8,266 in July of 2013. The December 31, 2013 reconciliation reflected bank balances were in excess of Cash Book balances in the amount of \$8,246.

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."

MONTHLY FINANCIAL REPORTS

Prescribed County Form 47TR "Monthly Financial Report" was not filed for the months of January through July of 2013, an item that was noted in the prior report for 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.

COUNTY TREASURER
TIPTON COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (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."

CONDITION OF RECORDS

Corrections to the 2013 financial records for errors occurring in the past and current years resulted in a substantially correct total cash balance at December 31, 2013. Because the corrections were numerous affecting receipts and disbursements, there remains some uncertainty of the accuracy of individual fund balances at January 1, 2013.

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)

COUNTY TREASURER
TIPTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 30, 2014, with Bonita Guffey, County Treasurer.

The contents of this report were discussed on March 5, 2015, with James L. Powell, President of the County Council; Joe VanBibber, President of the Board of County Commissioners; and Gregg Townsend, County Auditor.