

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

EXAMINATION REPORT
OF
COUNTY TREASURER
CLINTON COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
12/19/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Fran Reagan	01-01-05 to 12-31-09
President of the County Council	Steven Frey	01-01-05 to 12-31-06
President of the Board of County Commissioners	Wayne Williams	01-01-05 to 12-31-06



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

TO: THE OFFICIALS OF CLINTON COUNTY

We have examined the records of the County Treasurer for the period from January 1, 2005 to December 31, 2005, 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 Examination Report of Clinton County for the year 2005.

STATE BOARD OF ACCOUNTS

November 1, 2006

COUNTY TREASURER
CLINTON COUNTY
EXAMINATION RESULTS AND COMMENTS

TREASURER'S DAILY DEPOSITS

There were numerous instances of receipts deposited later than the next business day.

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

CONDITION OF RECORDS

A comparison of the computerized accounting system to the bank accounts indicated cash necessary to balance of \$826,599.60 at December 31, 2005. The Treasurer's Daily Cash book indicated a fund ledger balance of \$20,720,983.33 which reconciled to the bank accounts. The computerized accounting system indicated a fund ledger balance of \$21,547,582.93. We identified a \$1,000,000 investment purchase which had been erroneously deleted from the system and an \$83,634.71 timing difference on posting interest which left and unidentified difference of \$257,034.66.

The Treasurer has not reconciled to the computerized accounting system since September 30, 2004. Failure to reconcile the computerized accounting system to the bank accounts may have a detrimental effect on management decisions due to the uncertainty of available cash balances; also, errors or fraud may not be detected in a timely manner. The Treasurer should take the necessary steps to facilitate the reconciliation of the computerized accounting system to the bank accounts.

As a result of not reconciling the computerized accounting system to the bank accounts, we were unable to express an opinion on the fair presentation of the financial statements.

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)

PRESCRIBED FORMS

The Treasurer's Daily Balance of Cash and Depositories was not posted on a daily basis.

Every public officer in this state, who receives or distributes public funds, shall keep a cash book wherein there shall be entered daily, by item, all receipts of public funds. The cash book shall be balanced daily, shall show funds on hand at the close of each day, and shall be a public record open to public inspection. (IC 5-13-5-1)

The Treasurer's Daily Balance of Cash and Depositories, Form 47, is the record prescribed to enable the treasurer to comply with IC 5-13-5-1. It reflects the daily receipts and disbursements, total amount of cash and investments on hand, and a proof of the financial condition of the office at the close of each day. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 4)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (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 November 1, 2006, with Wayne Williams, President of the Board of County Commissioners; Steven Frey, President of the County Council; Jan Conner, Vice President of the County Council; Fran Reagan Treasurer; and Barbara Conner, Deputy Treasurer.