

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

EXAMINATION REPORT

OF

COUNTY TREASURER

WELLS COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

07/20/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Bank Account Reconciliations	4
County Treasurer's Monthly Reports Filed Delinquent	4
Exit Conference	5
Official Response	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rinda S. Vaughn	01-01-05 to 12-31-08
President of the Board of County Commissioners	Randal E. Plummer Paul I. Bonham	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Peter W. Cole	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WELLS COUNTY

We have examined the records of the County Treasurer for the period from January 1, 2006 to December 31, 2006, 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 Wells County for the year 2006.

STATE BOARD OF ACCOUNTS

June 25, 2007

COUNTY TREASURER
WELLS COUNTY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were either not presented for audit or were incorrect. The County Treasurer continues to carry reconciling items that are up to 69 months old. A similar comment appeared in prior Report B27380. These reconciling items include:

- (1) Bank encoding errors;
- (2) Twenty-five checks returned by the depositories for nonsufficient funds, of which fourteen are dated prior to January 1, 2006;
- (3) Old outstanding checks dating back to 1999 and checks listed as outstanding that had cleared the bank in 2004;
- (4) Electronic Fund Transfers that were not posted;
- (5) Ten posting errors and cash shortages from daily collections of taxes which have not been corrected, or were corrected but not in a timely manner; and,
- (6) Unidentified monthly variances.

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)

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

COUNTY TREASURER'S MONTHLY REPORTS FILED DELINQUENT

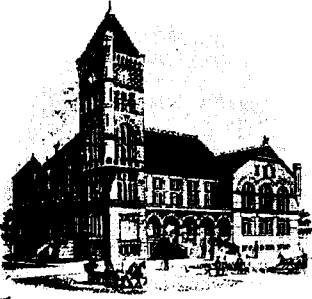
The County Treasurer's Monthly Financial Report (Form 47TR) filed with the County Auditor was delinquent for 9 of the 12 months in 2006. These reports were filed with the County Auditor up to nine months after the due date.

On or before the 16th day of each month the Treasurer shall prepare a report showing the financial condition of the office as of the close of business on the last day of the preceding month. This report shall show the amounts with which the Treasurer is chargeable for the various funds and accounts, the amounts with which the treasurer is credited for money on deposit, invested and cash on hand, and any long or short at the close of each month. The report also provides space for reconciliation with depositories.

The report shall be prepared in quadruplicate and each copy shall be verified by certificate of the treasurer. The treasurer shall retain one copy as a public record in the office and three copies shall be filed with the county auditor. The county auditor shall file the original of said reports with the records of the county board of finance, one copy shall be presented to the board of county commissioners at its next regular meeting, and the county auditor shall immediately transmit one copy to the State Board of Accounts. [IC 36-2-9-11 and 36-2-10-16] (Accounting and Uniform Compliance Guidelines Manual for Treasurers, Chapter 4)

COUNTY TREASURER
WELLS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 25, 2007, with Rinda S. Vaughn, Treasurer; and Paul I. Bonham, President of the Board of County Commissioners. The official response has been made a part of this report and may be found on page 6.



Rinda S. Harnish *Vaughn*
TREASURER OF WELLS COUNTY

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260

6-25-07

1. Concerning the months of carrying outstanding checks:

For the past several years on numerous occasions, my office has asked for corrections that were needed to be current and up to date. Being we are separate elected officials, one office's jurisdiction does not over-ride the other. This being the case, thanks to State Board of Accounts, the new Auditor Laura Brubaker and her staff these outstanding checks were taken of as of May 2007. Therefore, the treasurer's office was able to remove the outstanding checks from their outstanding checklist.

2. Concerning monthly reports:

This reverts back to needing corrected information from other offices. I felt it best not to turn in incomplete or inaccurate reports. Each month, I had the reports completed up to the point of needing corrections in one specific area. I was later told to turn the reports in monthly regardless. In so doing, I turned in the reports monthly noting the information we were still waiting for. As I received the new corrections, I amended the monthly reports with this information to show the report accurate and complete.

It continues to be our desire and goal to do our best correctly with the volume of work load we have.

Rinda S. Vaughn
Wells County Treasurer