

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

AUDIT REPORT

OF

COUNTY TREASURER

LAWRENCE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

07/17/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debbie Thompson	01-01-05 to 12-31-08
President of the County Council	Ross Jean	01-01-07 to 12-31-07
	Mike Branham	01-01-08 to 12-31-08
President of the Board of County Commissioners	William Spreen	01-01-07 to 12-31-07
	David A. Flinn	01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAWRENCE COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2007 to December 31, 2007, 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 Lawrence County for the year 2007.

STATE BOARD OF ACCOUNTS

June 10, 2008

COUNTY TREASURER
LAWRENCE COUNTY
AUDIT RESULTS AND COMMENTS

RECONCILIATION OF SUBSIDIARY LEDGERS

Posting errors were not discovered in a timely manner because reconcilements were not made between the subsidiary ledgers and the control accounts. The following errors were noted during the audit:

- (1) Surplus Tax Funds were not handled properly. Surplus Tax was not moved from the Treasurer's Daily Cash Book to the Auditor's Ledger as required. The Surplus Tax Fund Ledger, Form 65 STS, was not reconciled to the amount in the Surplus Tax Fund in the Auditor's Ledger. The balance in the Surplus Tax Fund in the Treasurer's Daily Cash Book and the Auditor's Ledger was \$2,929.03 less than the amount in the Surplus Tax Ledger, Form 65 STS.
- (2) Reconcilements were not made between the Treasurer's Monthly Financial Statement, Form 61, and the Auditor's Monthly Financial Statement, Form 61. On December 31, 2007, the Treasurer's Cash Book has a balance of \$20,380.65 less than the Auditor's Ledger.

At all times, the manual and 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)

DEPOSITS

Receipts were deposited later than the next business day. Receipts from December 18, 19, and 20, 2007, were not deposited until December 27, 2007. Receipts from December 21, 2007, were not deposited until December 28, 2007, and receipts from December 26, 27, and 28, 2007, were not deposited until December 31, 2007.

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. . . ."

BANK ACCOUNT RECONCILIATIONS

As reported in our prior two reports, B30433 and B27854, the County Treasurer had not completed depository reconciliations of the fund balances to the bank account balances for calendar years 2005 and 2006. During 2007, the County Commissioners contracted with an individual to provide the Treasurer additional training on bank reconciliations and to assist in completing depository reconciliations through December 31, 2007. With this aid, depository reconciliations were completed for each month of 2007. However, as of June 10, 2008, depository reconciliations had not been completed for any month after January 31, 2008.

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."

COUNTY TREASURER
LAWRENCE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 10, 2008, with Debbie Thompson, Treasurer; and David A. Flinn, President of the Board of County Commissioners.