

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

FULTON COUNTY, INDIANA

January 1, 2018 to December 31, 2018



FILED
12/12/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Christina Sriver	01-01-17 to 12-31-20
County Treasurer	Katherine L. Easterday	01-01-17 to 12-31-20
Clerk of the Circuit Court	Teresa M. Furnivall	01-01-15 to 12-31-22
President of the Board of County Commissioners	Bryan W. Lewis	01-01-18 to 12-31-19
President of the County Council	Phyl Olinger	01-01-18 to 12-31-19



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 FULTON COUNTY, INDIANA

This report is supplemental to our audit report of Fulton County (County), for the period from January 1, 2018 to December 31, 2018. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinion 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 Audit 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.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 21, 2019

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COUNTY AUDITOR
FULTON COUNTY

COUNTY AUDITOR
FULTON COUNTY
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

Condition and Context

The County Fuel Fund had a negative cash balance of \$29,138 as of December 31, 2018. This is a result of the County not properly charging other County departments for their share of fuel consumed.

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY AUDITOR
FULTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2019, with Christina Sriver, County Auditor; Bryan W. Lewis, President of the Board of County Commissioners; Rick Ranstead, County Commissioner; Phyl Olinger, President of the County Council; Barry Hazel, County Council member; Randy Sutton, County Council member; Lori Hurst, County Council member; and Ron Dittman, County Council member.

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COUNTY TREASURER
FULTON COUNTY

COUNTY TREASURER
FULTON COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

The same comment appeared in the prior Report B52049.

Condition and Context

There were deficiencies in the internal control system of the County Treasurer related to cash and investments. The bank account reconciliation as presented was not in agreement with the record balances at December 31, 2018.

The December 31, 2018 outstanding check list included 14 checks which totaled \$134,168 that had already cleared the bank account prior to December 2018. Also, there was a \$3,560,098 outstanding payroll amount that could not be verified as outstanding. There was also \$3,453,236 of deposits in transit that could not be verified to subsequent deposits. Other deposits in transit that were listed included deposits from December 2016 thru November 2018.

After removing the aforementioned items that could not be verified from the reconciliation, the unidentified remaining difference was \$365,590.

Criteria

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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

FULTON COUNTY TREASURER

Kathy Easterday, Treasurer

November 21, 2019

State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, IN 46204-2765

RE: OFFICIAL RESPONSE

To Whom It May Concern:

To the official response for the repeat offense in the Treasurer's office do to Bank Account Reconciliations; we have identified the issues at hand and are working to correct the issues and are working with our software company to address and fix the issues. It will take a few months to correct all that has been identified. This will be corrected by June 30, 2020.

Respectfully,

Kathy Easterday
Fulton County Treasurer

125 E 9th St
Suite 112
Rochester, IN 46975

PHONE 574-223-2913
FAX 574-223-7742
EMAIL treasurer@co.fulton.in.us
WEB SITE www.co.fulton.in.us

COUNTY TREASURER
FULTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2019, with Katherine L. Easterday, County Treasurer.

The contents of this report were also discussed on November 21, 2019, with Christina Sriver, County Auditor; Bryan W. Lewis, President of the Board of County Commissioners; Rick Ranstead, County Commissioner; Phyl Olinger, President of the County Council; Barry Hazel, County Council member; Randy Sutton, County Council member; Lori Hurst, County Council member; and Ron Dittman, County Council member.