

# Working Together

JANUARY 2021 NEWLY  
ELECTED TRAINING  
JOINT SESSION WITH  
AUDITORS & TREASURERS

STATE BOARD OF  
ACCOUNTS

1

## SEGREGATION OF DUTIES

- *The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same action. Separating the ability to record, authorize, and approve the transactions along with the handling of the related asset reduces the risk of error or fraudulent actions.”*
- *Uniform Internal Control Standards for Indiana Political Subdivisions*

2

## SEGREGATION OF DUTIES

- *“There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify the areas where segregation of duties is not feasible or practical and the compensating controls implemented to mitigate the risk.”*
- *Uniform Internal Control Standards for Indiana Political Subdivisions*

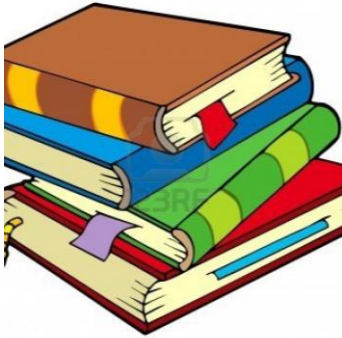
3

## ACCOUNTING PROCESS

- AUTHORIZATION
  - RECEIPTING OR DISBURSING
- CUSTODY
  - CUSTODIAN OF CASH AND INVESTMENTS
- RECORD KEEPING
  - FUNDS LEDGER – OFFICIAL RECORD
- RECONCILIATION
  - CASH BOOK AND BANK RECONCILIATION

4

## AUDITOR



- AUTHORIZATION
  - Receiving
  - Disbursing
- RECORD KEEPING
  - Posting records

5

## AUDITOR - Receipts

IC 36-2-9-12

- The Auditor shall keep an accurate account current with the county treasurer. The Auditor shall post the record and issue the quietus

6

## AUDITOR

### IC 36-2-9-15

- The Auditor shall examine and settle all accounts and demands. The Auditor shall issue warrants.

7

## TREASURER



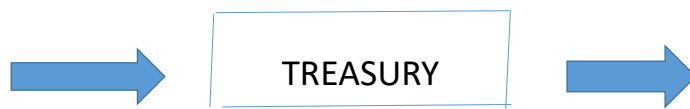
- CUSTODY
  - Bank Accounts
  - Investments
- RECONCILIATION
  - Bank

8

## TREASURER – RECEIPTS AND DISBURSEMENTS

- IC 36-2-10-9

- The Treasurer shall receive money to which the county is entitled and shall disburse it on warrants issued and attested by the county auditor.



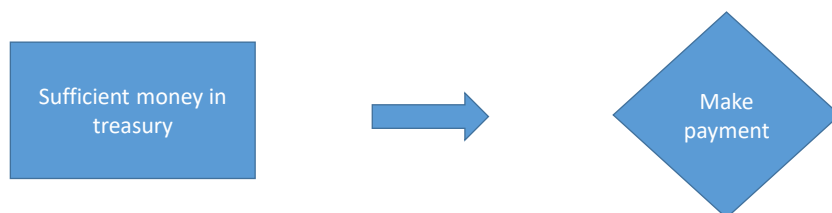
Treasury is the funds of the government

9

## TREASURER - DISBURSEMENTS

- IC 36-2-10-11

- If there is sufficient money in the county treasury for the payments of warrants of the county auditor, the treasurer shall pay each warrant when it is presented.



10

## RECEIPTING

- STEP 1 AUDITOR
  - Prepares document that shows the date, funds credited, amount, person paying and source of payment
- STEP 2 TREASURER
  - Take the document prepared by the auditor
  - Count and receipt collections for deposit
- STEP 3 AUDITOR
  - Retain copy of treasurer's receipt
  - Issue final quietus to payer
  - Post to the funds ledger

11

## ACH or ELETRONIC DEPOSITS

- STEP 1 AUDITOR
  - Based on ACH notification, prepare quietus
- STEP 2 TREASURER
  - Based on ACH notification, post deposit to cash book
- STEP 3 AUDITOR
  - Complete quietus and post to funds ledger

12

## DISBURSING

- STEP 1 AUDITOR
  - Audits claim/ invoices
- STEP 2 GOVERNING BOARD
  - Approves claim
- STEP 3 AUDITOR
  - Prepares warrant
- STEP 4 TREASURER
  - Determines Treasury has sufficient balance to pay and authorizes payment (check or electronic payment)
- STEP 5 AUDITOR
  - Post Disbursement to fund

13

## SEPARATE ACCOUNTS

- IC 36-2-10-15
  - The treasurer shall maintain separate accounts of receipts and expenditures from each specific county fund
    - TREASURER'S FUND LEDGER
  - The treasurer shall maintain a general account of county receipts and disbursements.
    - CASH BOOK

14

**MONTHLY FINANCIAL STATEMENT**  
Pleasant County Treasurer

Form 61

Balance and Receipts To Date	Receipts For Month	Total Balance and Receipts	Funds	Disbursed To Date	Disbursed for Month	Total Disbursed	Balances
12,452,724.27	4,150,908.09	16,603,632.36	GENERAL	11,363,042.23	4,275,125.80	15,638,168.03	965,464.33
8,607.00	2,869.00	11,476.00	ACCIDENT REPORT	7,951.72	3,408.74	11,360.46	115.54
3,672,179.82	1,224,059.94	4,896,239.76	AFFORDABLE HOUSING	3,332,749.78	1,214,390.51	4,547,140.29	349,099.47
8,232,027.00	2,744,009.00	10,976,036.00	ANIMAL CONTROL	8,231,999.70	2,744,009.00	10,976,008.70	27.30
2,406,738.09	802,246.03	3,208,984.12	AVIATION	2,351,368.81	718,988.77	3,070,357.58	138,626.54
220.11	73.37	293.48	LIT - ECONOMIC DEVELOPMENT (EDIT)	(373,084.78)	12,653.36	(360,431.42)	360,724.90
5,064.06	1,688.02	6,752.08	LIT - SPECIAL PURPOSE	5,064.06	1,688.02	6,752.08	-
8,848.44	2,949.48	11,797.92	CITY AND TOWN COURT COSTS	(5,747.22)	12,895.63	7,000.00	4,797.92
64,186.05	21,395.35	85,581.40	CLERK'S RECORDS PERPETUATION	38,701.98	29,804.40	68,506.38	17,075.02
97,869.20	25,623.12	123,492.32	COMMUNITY CORRECTIONS	18,129.78	36,548.97	54,678.75	68,813.57
768.96	256.32	1,025.28	COMMUNITY TRANSITION PROGRAM	221.50	341.12	562.62	462.66
-	-	-	CONGRESSIONAL SCHOOL INTEREST	(9,121.69)	-	(9,121.69)	9,121.69
6,420.00	2,140.00	8,560.00	CONGRESSIONAL SCHOOL PRINCIPAL	(21,434.41)	-	(21,434.41)	29,994.41
1,063,616.88	354,538.96	1,418,155.84	CONTROLLED SUBSTANCE EXCISE TAX	1,036,852.25	347,666.55	1,384,518.80	33,637.04
462,670.68	154,223.56	616,894.24	CONVENTION, VISITOR AND TOURISM PROMOTION	349,774.33	181,091.40	530,865.73	86,028.51
31,090.77	10,363.59	41,454.36	SALES DISCLOSURE-COUNTY SHARE	4,326.14	5,000.00	9,326.14	32,128.22

15

## Changes to the Fund's Ledger

- Receipts/Quietus – each office should have a copy
- Warrants – each office has the checks or check register
- Other changes – Must be communicated between offices
  - Correction of posting errors
  - Void of either quietus or warrant/check
  - Transfer of funds

16



## Property Tax and Other Taxes

- Property taxes and Settlement
- Excise Taxes and Settlement
- Sewer Liens and other special assessments

17

## Excise Tax

- **Treasurer – Cashbook Postings**
  - The Treasurer's Cash Book posting is the date of the treasurer's receipt
  - The excise tax receipt is posted to the Excise line of the Other Sources Section of the Cash Book
- **Auditor – Ledger Postings**
  - A separate ledger or subsidiary ledger for each taxing district
  - A control or summary ledger containing the sum of all the separate taxing district ledgers
    - The posting date is the transaction date
    - The BMV report date and deposit date is 14 days after the transaction date

18



OTHER  
CONSIDERATIONS

- Work together to provide accurate accounting for the county

Respect

Cooperation

Communication