

Reconciling: Auditor's Role

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State Board of Accounts

1



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2

ROLES

AUDITOR

Fiscal officer of the County
 – IC 36-2-9-2
 Record Keeper
 – IC 36-2-9-12

TREASURER

Investing officer of the County
 – IC 5-13-9-1
 Custodian of County Money
 – IC 36-2-10-9
 County money must be received and
 deposited by the Treasurer
 – IC 36-2-10-10

3

OFFICIAL RECORD

IC 36-2-9-12 states:

“The auditor shall keep an accurate account current with the county treasurer. Whenever a receipt given by the treasurer for money paid into the county treasury is deposited with the auditor, the auditor shall:

- (1) file the treasurer's receipt;
- (2) charge the treasurer with the amount of the treasurer's receipt;
- and
- (3) issue the auditor's own receipt to the person presenting the treasurer's receipt.”



4

TREASURER'S RECORD

IC 36-2-10-15 states:

“(a) The treasurer shall maintain:

- (1) separate accounts of receipts for and expenditures from each specific county fund or appropriation; and
- (2) a general account of all county receipts and expenditures.

(b) The treasurer may not enter in the treasurer's accounts money received for taxes charged on the duplicate of the current year until after the treasurer's settlement for that money under IC 6-1.1-27.”



1

Auditor posts to the official ledger of the county

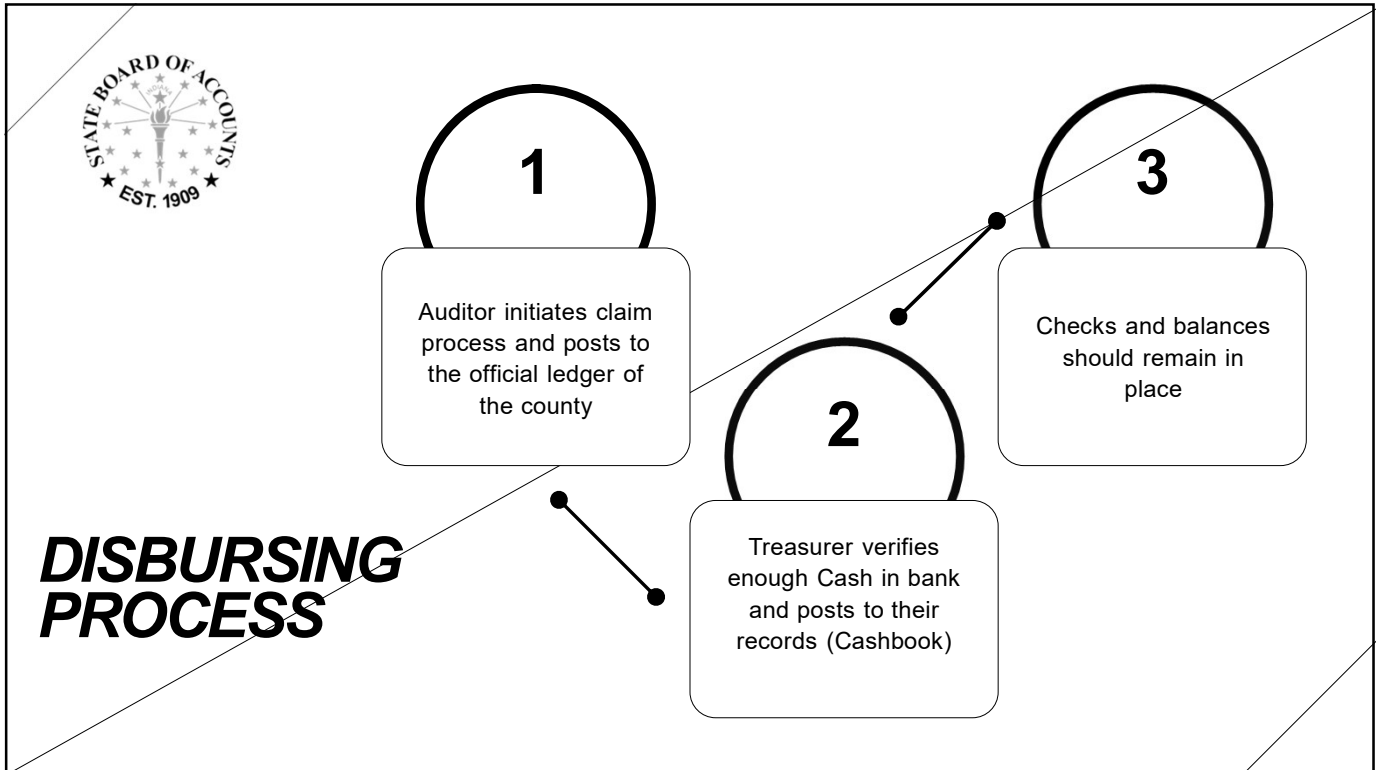
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Checks and balances should remain in place

2

Treasurer collects the money, posts to their ledger (Cashbook) and makes the deposit

RECEIPTING PROCESS



7

FORM 61 AUDITOR & TREASURER

- Both Auditor and Treasurer prepare a monthly report and funds ledgers need to be reconciled between the two offices.
 - Form 61
- If the Treasurer's cash book and funds ledger don't reconcile to the Auditor's this could result not only in a finding in the audit report but a modified opinion on the financial statements.



8

CASHBOOK

Left side contains all of the charges Right side contains all of the credits

- Tax collections – not quietused
- Other sources – not quietused
- Funds ledger
- Deposits
- Investments
- Specific fund should be on investment ledger
- Investment of all funds (taxes) would be on funds ledger
- Cash on hand



9

SEGREGATION OF DUITES

- When Auditor posts to the ledger it should not automatically post to the Treasurers side.
- The Auditor should not have access to the bank account
- The Treasurer should not be able to initiate the claims process



10

TEAMWORK

- The Treasurer maintains custody of the cash
- The Auditor maintains the funds ledger
- Both Auditor and Treasurer prepare a monthly report and funds ledgers need to be reconciled between the two offices



11

RECONCILING

- Should be done at least monthly
- Both Auditor and Treasurer should be reconciling
- Reconciliation should be uploaded in Gateway



12

RECONCILING

- Look for differences within funds
 - Receipts
 - Disbursements
 - Balances

- Take into consideration
 - Voided checks
 - Fund transfers
 - ACH transactions reconciled



13

THANK YOU

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14