

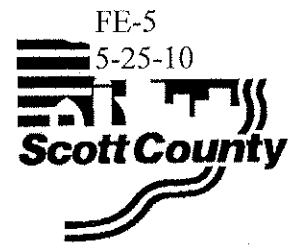
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May 17, 2010

TO: Board of Supervisors

FROM: Craig Hufford, Financial Management Supervisor
Sarah Kautz, Budget Manager
Wes Rostenbach, Accounting and Tax Manager
Dee F. Bruemmer, County Administrator

SUBJ: Quarterly Status Report from the Financial Review Committee on Various Financial Management Improvements – 3rd Quarter FY10

The Financial Review Committee (FRC) consisting of Craig Hufford, Financial Management Supervisor in the Treasurer's Office, Sarah Kautz, Budget Manager, Wes Rostenbach, Accounting and Tax Manager in the Auditor's Office, and Dee F. Bruemmer, County Administrator reports quarterly to the Board on the status of various financial management improvements.

Attached to this memo are the following status reports:

- FY09 Audit Management Letter Comments

Please contact us should you have any questions regarding this memo or the attached status report.

Attachment

FY09 MANAGEMENT LETTER COMMENTS
3rd Qtr FY10

SUBJECT	RESPONSIBILITY	TIMEFRAME
<p>1. Comment: Agency Funds are not being reconciled to the general ledger balances. The off-line systems are reconciled to the bank statements, but neither balance is reconciled to the general ledger.</p> <p>Recommendation: We recommend timely monthly reconciliations. We also recommend a three-way reconciliation between the off line system, the bank statement, and the general ledger, with any discrepancies researched and closed as soon as possible.</p> <p>Current Status: There are three separate agency funds in the Sheriff's office; Sheriff's Civil funds, Jail Inmate Funds, and Inmate Commissary.</p> <p>1) Going forward, bank reconciliations will be done monthly, and due to the reviewer by the end of the following month(i.e. May's bank reconciliation will be done by the end of June)</p> <p>2) The Inmate Funds and Inmate Commissary will transfer monies to the county every six months, instead of yearly. This will allow for an additional reconciliation to occur mid-year.</p> <p>3) The Sheriff Civil fund will continue a monthly reconciliation. All documentation should be sent to the Auditor/Treasurer on a monthly basis to allow cash to be transferred from the agency fund to county funds at that time.</p> <p>4) The Sheriff's office is working to document all processes for their agency funds. The process documentation will include reconciliation points, the items that the funds are used for, the daily processes related to these funds, as well as the separation of duties.</p>	<p>Administration/Treasurer/Sheriff</p>	<p>June 2010</p>
<p>2. Comment: The County does not perform reconciliation between the capital asset system, the general ledger, and the roll forward of capital assets at year-end. It was noted in the current year, several beginning balances of the capital asset categories did not agree to the ending balance from the prior year due to</p>	<p>Administration/FSS</p>	<p>June 2010</p>

FY09 MANAGEMENT LETTER COMMENTS
3rd Qtr FY10

SUBJECT	RESPONSIBILITY	TIMEFRAME
<p>changes in the capital asset system being performed. There is no record of changes in the system when assets move between categories.</p> <p>Recommendation: The County should review the procedures for making changes in the capital asset system and consider posting changes on a quarterly basis for additions and disposals of capital assets.</p> <p>Current Status:</p> <ol style="list-style-type: none"> 1) A full capital asset reconciliation will be done twice a year instead of currently once a year. This process will reconcile the fixed asset system to our financials, and back to the auditor's workpapers. The verification and reconciliation will include additions, disposals, transfers (once a year), location, state function code, class and fund designations. 2) The entire fixed asset roll forward process will be documented by FSS no later than June 30, 2010 in time for auditor review. 3) A 6-month fixed asset rollforward is going now, and will be complete by June 30, 2010, in time to begin the final year roll-forward. The final fixed asset rollforward and all adjusting entries will be complete by October 1st of each year. 		

