

**BOARD OF COUNTY COMMISSIONERS
SARPY COUNTY, NEBRASKA
RESOLUTION ACCEPTING THE SARPY COUNTY FINANCIAL AUDIT REPORT**

WHEREAS, pursuant to Neb. Rev. Stat. §23-104(6)(Reissue 1997), the County has the power to do all acts in relation to the concerns of the County necessary to the exercise of its corporate powers; and,

WHEREAS, pursuant to Neb. Rev. Stat. §23-103(Reissue 1997), the powers of the County as a body are exercised by the County Board; and,

WHEREAS, a County financial audit required pursuant to Neb. Rev. Stat. §23-1608, et. seq has been performed by the firm of Orizon CPA's, LLC.

NOW, THEREFORE, BE IT RESOLVED, By the Board of Commissioners of Sarpy County, Nebraska, that the attached financial audit report of Sarpy County is hereby accepted and the Sarpy County Clerk is hereby directed to file such report.

DATED this 28th day of April, 2009.

MOVED by Rich Jansen, seconded by Pat Thomas, that the above Resolution be adopted. Carried.

YEAS:
[Signature]
[Signature]
[Signature]
Tom Richard
Patrick J. Thomas

NAYS:
none

ABSENT:
none

ABSTAIN:
none

Attest:
SEAL
[Signature]
County Clerk



Approved as to form:
[Signature]
Deputy County Attorney

Sarpy County Board of Commissioners

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PAPILLION, NE 68046-2895
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www.sarpy.com

ADMINISTRATOR
Mark Wayne

DEPUTY ADMINISTRATOR
Scott Bovick

FISCAL ADMIN./PURCHASING AGT.
Brian Hanson



COMMISSIONERS

Rusty Hike
District 1
Joni Jones
District 2
Tom Richards
District 3
Pat Thomas
District 4
Rich Jansen
District 5

MEMO

To: Sarpy County Board

From: Brian Hanson

Re: Acceptance of Financial Audit Report

At the April 28, 2009 Board meeting, the County Board will be asked to accept the attached Financial Audit Report for Sarpy County. A few highlights are as follows:

1. The Independent Auditor's Report on page 1 gives us a "clean opinion" stating, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008. . ."
2. Management's Discussion and Analysis (MD&A) on pages 3-11 provides a summary of the County's financial statements and activity. I feel that the MD&A shows that Sarpy County is in solid financial condition.
3. The Report on Internal Control on page 56 indicates that no deficiencies in internal control over financial reporting that would be considered to be material weaknesses were identified.
4. The Schedule of Findings and Questioned Costs on page 61 does disclose that federal funds were de-authorized on the 96th Street project and that \$6,993,621 had to be repaired on that project.
5. The Management Letter (included as a separate document) does indicate a number of areas where various County departments can improve accounting procedures (see last three pages of document).

6. Jodi Rinne from Orizon CPA's LLC will be in attendance to answer questions.

April 23, 2008

Brian Hanson

cc: Mark Wayne
Deb Houghaling

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April 10, 2009

Board Members
Sarpy County, Nebraska
Papillion, Nebraska

We have audited the basic financial statements of Sarpy County, Nebraska as of and for the year ended June 30, 2008, and have issued our report thereon dated February 12, 2009. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated September 12, 2009, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America and *Government Auditing Standards*. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Sarpy County, Nebraska solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments, if any, regarding significant control deficiencies and material weaknesses noted during our audit in our "Independent Auditor's Report on Internal Control Over Financial reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*".

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you. During our audit, the County also hired us to assist with accounting services related to the Roads Department.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Sarpy County is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2008. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are current compensated absences, Landfill closure and post closure costs, and other postemployment benefit liability.

Management's estimate of the current compensated absences is based on the percentage of compensated absences used during the last fiscal year. We evaluated the key factors and assumptions used to develop the other postemployment benefits liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Sarpy County's financial statements relate to deposits and investments, employees' retirement system, commitments and contingencies, landfill closure and post closure care costs, and public entity risk pool.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements. The two attached schedules (Schedule 1 and 2) summarize the misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management. The purpose of each schedule are as follows:

1. To appropriately report the County's governmental fund financial statements presented on the modified accrual basis of accounting and the County's proprietary fund financial statements presented on the full accrual basis of accounting (see Schedule 1); and

April 10, 2009
Sarpy County, Nebraska
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2. To appropriately report the County's governmental activities financial statements on the full accrual basis of accounting (see Schedule 2).

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Sarpy County's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management and elected officials. A copy of these letters are maintained by us.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with Sarpy County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting Sarpy County, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Other Matters

We also noted other matters that we believe warrant the attention of the County. These items are detailed in Schedule 3, attached.

This report is intended solely for the information and use of the County Board, and management of Sarpy County, Nebraska and is not intended to be and should not be used by anyone other than these specified parties.

Orizon CPAs LLC
ORIZON CPAs LLC

**SCHEDULE 1
POSTED ADJUSTING JOURNAL ENTRIES
FOR THE PERIOD JULY 1, 2007 TO JUNE 30, 2008**

GENERAL FUND

Modified Accrual Entries JE # 1

To record interest earned and in the accounts but not on the books

| | | | |
|--------------|---------------|-------------------|-------------------|
| 00100-11000 | Cash | 630,106.00 | |
| 00100-44000 | Local Revenue | | 630,106.00 |
| Total | | 630,106.00 | 630,106.00 |

Modified Accrual Entries JE # 2

To bring modified fund balance to actual

| | | | |
|--------------|---------------|---------------|---------------|
| 00100-44000 | Local Revenue | 647.00 | |
| 00100-31000 | Fund Balance | | 647.00 |
| Total | | 647.00 | 647.00 |

Modified Accrual Entries JE # 3

To bring unpaid taxes to actual

| | | | |
|--------------|------------------|------------------|------------------|
| 00100-12000 | Taxes Receivable | 66,779.00 | |
| 00100-41000 | Property Taxes | | 66,779.00 |
| Total | | 66,779.00 | 66,779.00 |

Modified Accrual Entries JE # 4

To record interest earned by the Treasurer's office but not recorded as of 6/30/08

| | | | |
|--------------|---------------|------------------|------------------|
| 00100-11000 | Cash | 19,306.00 | |
| 60300-44000 | Local Revenue | | 19,306.00 |
| Total | | 19,306.00 | 19,306.00 |

SPECIAL REVENUE FUND

Modified Accrual Entries JE # 5

To reclassify Bonds Payable from Roads to General Government

| | | | |
|--------------|-----------------------------|---------------------|---------------------|
| 00200-33000 | Fund Balance - Debt Service | 615,000.00 | |
| 03307-31000 | Fund Balance | 615,000.00 | |
| 00200-31000 | Fund Balance | | 615,000.00 |
| 03307-33000 | Fund Balance - Debt Service | | 615,000.00 |
| Total | | 1,230,000.00 | 1,230,000.00 |

Modified Accrual Entries JE # 6

To adjust bonds payable to actual

| | | | |
|--------------|-----------------------------|------------------|------------------|
| 00941-33000 | Fund Balance - Debt Service | 15,000.00 | |
| 00941-31000 | Fund Balance | | 15,000.00 |
| Total | | 15,000.00 | 15,000.00 |

Modified Accrual Entries JE # 7

To bring accounts receivable to actual

| | | | |
|--------------|---------------------|------------------------|------------------------|
| 00941-44000 | Local | 3,000.00 | |
| 00941-12100 | Accounts Receivable | | 3,000.00 |
| Total | | <u>3,000.00</u> | <u>3,000.00</u> |

Modified Accrual Entries JE # 8

To correct the reversal of prior year accounts payable

| | | | |
|--------------|-------------------------|--------------------------|--------------------------|
| 00200-51000 | Personal Services | 43,124.00 | |
| 00200-52000 | Operating Expenses | 160,304.00 | |
| 00200-53000 | Supplies/Materials | 4,844.00 | |
| 00200-54000 | Equipment/Office Rental | 518,042.00 | |
| 00200-52000 | Operating Expenses | | 43,124.00 |
| 00200-53000 | Supplies/Materials | | 160,304.00 |
| 00200-54000 | Equipment/Office Rental | | 4,844.00 |
| 00200-55000 | Capital Outlays | | 518,042.00 |
| Total | | <u>726,314.00</u> | <u>726,314.00</u> |

Modified Accrual Entries JE # 9

To record interest earned and in the accounts but not on the books for fund financials

| | | | |
|--------------|-------|-------------------------|-------------------------|
| 03401-11000 | Cash | 34,439.00 | |
| 03401-44000 | Local | | 34,439.00 |
| Total | | <u>34,439.00</u> | <u>34,439.00</u> |

Modified Accrual Entries JE # 10

To adjust unpaid taxes to actual

| | | | |
|--------------|------------------|-------------------------|-------------------------|
| 00941-12000 | Taxes Receivable | 12,350.00 | |
| 00941-41000 | Taxes | | 12,350.00 |
| Total | | <u>12,350.00</u> | <u>12,350.00</u> |

Modified Accrual Entries JE # 11

To correct entry for interest that occurred 7/1/08 and thus should have been accrued at 6/30/08 because cash had not been received yet.

| | | | |
|--------------|---------------------|------------------------|------------------------|
| 03307-12100 | Accounts Receivable | 1,837.00 | |
| 03308-12100 | Accounts Receivable | 6,161.00 | |
| 03307-11000 | Cash | | 1,837.00 |
| 03308-11000 | Cash | | 6,161.00 |
| Total | | <u>7,998.00</u> | <u>7,998.00</u> |

Modified Accrual Entries JE # 12

To record prior year bond activity

| | | | |
|--------------|--------------|----------------------------|----------------------------|
| 03307-11000 | Cash | 99,736.00 | |
| 03307-11000 | Cash | 7,000,000.00 | |
| 03307-31000 | Fund Balance | 1,585,203.00 | |
| 03307-11000 | Cash | | 104,967.00 |
| 03307-11000 | Cash | | 1,585,203.00 |
| 03307-31000 | Fund Balance | | 99,736.00 |
| 03307-31000 | Fund Balance | | 6,895,033.00 |
| Total | | <u>8,684,939.00</u> | <u>8,684,939.00</u> |

Modified Accrual Entries JE # 13

To reverse prior year entry

| | | | |
|--------------|--------------|---------------|---------------|
| 00941-31000 | Fund Balance | 438.00 | |
| 00941-44000 | Local | | 438.00 |
| Total | | 438.00 | 438.00 |

Modified Accrual Entries JE # 14

To reclassify transfers as due to/due froms in non-majors

| | | | |
|--------------|---------------|-------------------|-------------------|
| 02700-12800 | Due from | 315,000.00 | |
| 02700-45000 | Transfers In | 315,000.00 | |
| 02700-21800 | Due to | | 315,000.00 |
| 02700-57000 | Transfers Out | | 315,000.00 |
| Total | | 630,000.00 | 630,000.00 |

PROPRIETARY FUND**Adjusting Entries JE # 15**

To reclassify cash as restricted, due to estimated landfill closure and post closure expenses

| | | | |
|--------------|-----------------|---------------------|---------------------|
| 05201-15000 | Restricted Cash | 7,182,126.00 | |
| 05200-11000 | Cash | | 7,182,126.00 |
| Total | | 7,182,126.00 | 7,182,126.00 |

Adjusting Entries JE # 16

To record the Annual Required Contribution for OPEB (Other Post Employment Benefits) as required by GASB 45

| | | | |
|--------------|--|-----------------|-----------------|
| 05200-51000 | Personal Services | 2,205.00 | |
| 05200-22100 | Accrued Other Post Employment Benefits - Current | | 2,205.00 |
| Total | | 2,205.00 | 2,205.00 |

FIDUCIARY FUND**Adjusting Entries JE # 17**

To record interest earned and in the accounts but not on the books for fund financials

| | | | |
|--------------|------------------------------------|-------------------|-------------------|
| 99999-11000 | Cash and Investments | 231,120.00 | |
| 99999-21000 | Due to other governmental entities | | 231,120.00 |
| Total | | 231,120.00 | 231,120.00 |

**SCHEDULE 2
POSTED RECLASSIFYING JOURNAL ENTRIES
FOR THE PERIOD JULY 1, 2007 TO JUNE 30, 2008**

GENERAL FUND

| | | | | |
|--|-------------|-------------------|-------------------|-------------------|
| Full-Accrual Entries JE # 18 | | | | |
| To record interest earned and in the accounts but not on the books for govt wide | | | | |
| | 00100-11000 | Cash | 664,545.00 | |
| | 00100-61400 | Investment Income | | 664,545.00 |
| Total | | | 664,545.00 | 664,545.00 |

| | | | | |
|--------------------------------------|-------------|------------------|------------------|------------------|
| Full-Accrual Entries JE # 19 | | | | |
| To adjust taxes receivable to actual | | | | |
| | 00100-12000 | Taxes Receivable | 66,779.00 | |
| | 00100-41000 | Property Taxes | | 66,779.00 |
| Total | | | 66,779.00 | 66,779.00 |

| | | | | |
|--|-------------|-------------------|------------------|------------------|
| Full-Accrual Entries JE # 20 | | | | |
| To record interest earned but not deposited in the Treasurer's account as of 6/30/08 | | | | |
| | 00100-11000 | Cash | 19,306.00 | |
| | 60300-61400 | Investment Income | | 19,306.00 |
| Total | | | 19,306.00 | 19,306.00 |

| | | | | |
|--|-------------|------------------------------|-------------------|-------------------|
| Full-Accrual Entries JE # 21 | | | | |
| To record current year amortization of bond issue costs and to recognize prior year activity | | | | |
| | 00100-17000 | Capitalized Bond Issue Costs | 300,040.00 | |
| | 00100-52000 | Operating Expenses | 35,620.00 | |
| | 00100-17100 | Accumulated Amortization | | 128,506.00 |
| | 00100-33000 | Fund Balance - Debt Service | | 123,647.00 |
| | 00100-52000 | Operating Expenses | | 83,507.00 |
| Total | | | 335,660.00 | 335,660.00 |

SPECIAL REVENUE FUND

| | | | | |
|--|-------------|---------------------|-----------------|-----------------|
| Full-Accrual Entries JE # 22 | | | | |
| To bring accounts receivable to actual | | | | |
| | 00941-61000 | Charges for Service | 3,000.00 | |
| | 00941-12100 | Accounts Receivable | | 3,000.00 |
| Total | | | 3,000.00 | 3,000.00 |

| | | | | |
|-------------------------------------|-------------|--------------------------|---------------------|---------------------|
| Full-Accrual Entries JE # 23 | | | | |
| To record PY CIP | | | | |
| | 03307-16050 | Construction in progress | 1,585,203.00 | |
| | 03307-31000 | Fund Balance | | 1,585,203.00 |
| Total | | | 1,585,203.00 | 1,585,203.00 |

Full-Accrual Entries JE # 24

To adjust taxes receivable to actual

| | | | |
|--------------|------------------|------------------|------------------|
| 00941-12000 | Taxes Receivable | 12,350.00 | |
| 00941-41000 | Taxes | | 12,350.00 |
| Total | | 12,350.00 | 12,350.00 |

Full-Accrual Entries JE # 25

To correct interest earned but not received until 7/1/08

| | | | |
|--------------|---------------------|-----------------|-----------------|
| 03307-12100 | Accounts Receivable | 1,837.00 | |
| 03308-12100 | Accounts Receivable | 6,161.00 | |
| 03307-11000 | Cash | | 1,837.00 |
| 03308-11000 | Cash | | 6,161.00 |
| Total | | 7,998.00 | 7,998.00 |

Full-Accrual Entries JE # 26

To record prior year bond activity for bond proceeds at union bank

| | | | |
|--------------|--------------|---------------------|---------------------|
| 03307-11000 | Cash | 99,736.00 | |
| 03307-11000 | Cash | 7,000,000.00 | |
| 03307-31000 | Fund Balance | 104,967.00 | |
| 03307-31000 | Fund Balance | 1,585,203.00 | |
| 03307-11000 | Cash | | 104,967.00 |
| 03307-11000 | Cash | | 1,585,203.00 |
| 03307-31000 | Fund Balance | | 99,736.00 |
| 03307-31000 | Fund Balance | | 7,000,000.00 |
| Total | | 8,789,906.00 | 8,789,906.00 |

Full-Accrual Entries JE # 27

To record the Annual Required Contribution Liability for OPEB (Other Post Employment Benefits) as required by GASB 45

| | | | |
|--------------|--|-------------------|-------------------|
| 00200-51000 | Personal Services | 12,597.00 | |
| 00941-51000 | Personal Services | 103,577.00 | |
| 00980-51000 | Personal Services | 53,505.00 | |
| 01500-51000 | Personal Services | 640.00 | |
| 03401-51000 | Personal Services | 656.00 | |
| 00200-22100 | Accrued Other Post Employment Benefits - Current | | 170,975.00 |
| Total | | 170,975.00 | 170,975.00 |

Full-Accrual Entries JE # 26

To reclassify bond proceeds on statement of activities

| | | | |
|--------------|---------------------|-----------------|-----------------|
| 00941-61000 | Charges for Service | 3,000.00 | |
| 00941-12100 | Accounts Receivable | | 3,000.00 |
| Total | | 3,000.00 | 3,000.00 |

SCHEDULE 3 RECOMMENDATIONS

ACCOUNTING POLICIES AND PROCEDURES MANUAL

Each department should have an accounting policies and procedures manual describing their procedures. This manual should contain accounting policies and step by step instructions regarding how their work is accomplished in the department. Most of the departments currently are on the job training, meaning a new individual is shown by someone in the department how things are done. A policy and procedure manual would assist with training and with consistency in the handling and recording of transactions.

Landfill has a great policy and procedures manual that details their operations. The landfill should include a revision date as information is updated or when the policy is written.

Sheriff's office, County Attorney, Election Commissioner, Roads/Surveyor, Fiscal Administrator, Register of Deeds, County Clerk, Clerk of the District Court, Building Inspector, Diversion, and Treasurer's department should each create a policy and procedures manual detailing the department's operations. As policies and procedures are updated, they should be dated to show that they are reviewed on a regular basis. Some of these offices already have a manual started.

MANDATORY VACATION

Mandatory vacation with a rotation of duties (meaning when an individual is gone, another employee performs that individual's job) provides many benefits including, possible improvement of processes from replacement, fraud discovery, and cross training to allow for flexibility of individuals.

We recommend all departments have mandatory vacations if at all possible. If your department is too small, perhaps another larger department could step in to assist with rotating duties. This allows for cross-training, which is beneficial when an employee is sick or requires an extended period of leave. Additionally, the mandatory vacation should be included in the department's policies and procedures manual.

AUDITOR'S ROLE

Each department head and board member should be informed of the auditor's role. The auditor's role includes not only stating an opinion on the financial statements but considering internal control over financial reporting. This allows the auditor to provide recommendations for the County to improve their internal controls and efficiency. The more accurate the information is provided to the auditor, the more effective and relevant the recommendations. Each department should be encouraged to keep an electronic file with questions and/or situations that occur through the year that may be of interest to the auditor. Additionally, department heads and the County Board should be informed that the auditor is available by phone or e-mail throughout the year as questions or situations arise.

RECEIPTS

Each department should be tracking receipts (revenues) for their department that are expected to be received in the Treasurer's office and then follow-up if not receipted in a reasonable amount of time. For example, if the Roads Department bills a city for its portion of a joint project, then the Roads Department should be tracking what they are expecting to receive and if the funds are not received in a reasonable amount of time, they should follow-up with the City.

Each applicable department should develop a Treasurer's Department receipts procedure to ensure that all monies to be collected are collected timely and procedures to follow when monies are not collected timely.

GRANTS

Any department applying for a grant should be supplying the fiscal administrator with a copy of the grant application. Then, if a department is notified that a grant has been awarded, the department should be supplying a copy of the notification to the fiscal administrator and appropriate personnel in the Treasurer's office for all monies that are to be received. Then, the department should track what is expected to be received and if it is not received in a reasonable amount of time, they should follow-up with the grantor.

This is for all departments that receive grants (specifically Sheriff and Roads departments).

SEGREGATION OF DUTIES

Improvements in separation of duties could be made to ensure that those in a department responsible for maintaining accounting records and initiating transactions also do not have access to cash and cash items.

In the Sheriff's office, a good way to accomplish more segregation of duties would be to have one person collecting payments, another person keeping the records, and a third person doing the bank reconciliation. Because the Sheriff's office has many departments within it, one department could do another department's bank reconciliation, like the County Clerk's office does with their accounts.

The County Attorney's office could also use some additional segregation of duties, as it appears one or more individuals have access to many areas. No one individual should have access to the cash, the records and the reconciliations.

Theoretically, you should have one person handling the cash (with supervision), someone different inputting the information into the system, and a third person reviewing the information.

RECONCILIATIONS

All bank accounts should be reconciled and differences investigated in a timely manner. Any outstanding items that have been determined outstanding to specific individuals should be turned over to the State Treasurer as unclaimed monies. This would be easiest to do if all checks have "Do not cash after 90 days" on the check itself (or whatever number of days the department or County Board determines is adequate).

The County Clerk's office has a warrant account and impressed payroll account with old outstanding items.

The Clerk of the District Court has been unable to reconcile bank account with State System for the last three years. Amount is less than \$2,000, but the department should understand the system enough to reconcile account completely or perhaps obtain additional training on the system.

The Sheriff's office often has unclaimed money. They have now put "Do not cash after 90 days" on the check and can send unclaimed monies to the State Treasurer after 90 days. This allows the checking account to be more accurate and to keep outstanding items from becoming stagnant. The County Attorney's office has also started using this process.

AUDIT TRAIL

There are some departments who record their information into systems that allow them to overwrite or correct entries without an audit trail of the changed information. Entries should always be corrected with an offsetting entry, not deleted or changed to allow for an audit trail of what occurred.

Currently, the Clerk of the District Court's system allows original transactions to be modified. A policy should be implemented that would not allow original transaction to be modified, but instead all changes should be recorded through adjusting journal entries thereby leaving an audit trail.

FILING FORMS

A uniform method for filing paperwork should be developed within the department and included in the policy and procedures manual. For example, we noted that there were difficulties locating information which should have been included in employees' personnel files (i.e., I-9's). The payroll department needs a policy that details all the information that needs to be retained in the employee's files.

ACCRUED PAYROLL

Accrued payroll is currently being calculated manually. The County should consider researching, perhaps with the Information Technology Department, the reporting capabilities of the payroll system. This would allow for improvement in efficiency and accuracy.