



Dave Yost • Auditor of State



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October 14, 2011

Vicki Sefsick
Harrison County Treasurer
100 West Main Street
Cadiz, Ohio 43907

Dear Ms. Sefsick:

In accordance with the Letter of Arrangement dated August 1, 2011, between the Auditor of State and Harrison County Treasurer's Office, the Auditor of State has examined certain Treasury records and performed certain audit procedures to Treasury transactions. The nature, scope, and objective of the examination were as follows:

We examined certain Treasurer's daily balance sheets, Auditor/Treasurer reports and Summary Fund reports for the period January 1, 2009 through April 11, 2011 to determine that Treasury transactions were recorded accurately and that the cash and investment balances per the County Treasurer reconciled to the Summary Fund Report.

The remainder of this letter summarizes the background, methodology and significant results of the examination.

To achieve the objective stated above, the Auditor of State:

- Documented the procedures used by the Treasurer's office for daily receipting, recording, reporting and depositing and monthly reconciliation.
- Compared the sum of the cash balances recorded on the Auditor/Treasurer report and Summary Fund Report with the cash and investment balances per the Treasurer's Daily Balance Sheet (Form 6) for April 11.
- Compared the sum of the cash balances recorded on the Auditor/Treasurer report and Summary Fund Report with the cash and investment balances per the Treasurer's Daily Balance Sheet (the Form 6) for 75 randomly selected dates from the period January 1, 2009 through April 10, 2011.
- Recomputed the mathematical accuracy of the Forms 6 for the same randomly selected 75 dates used for the step described above.
- Reviewed the continuity of the County's investments for the period January 1, 2009 through April 11, 2011.
- Selected 15 bank deposits from the period January 1, 2011 through April 11, 2011 to search for personal checks cashed for the former County Treasurer
- Reviewed the County's vendor listing for the period January 1, 2009 through April 11, 2011 to search for any non-payroll payments made to the former County Treasurer.

Our examination identified the following significant results:

- Daily receipting, recording, reporting and depositing, as well as monthly reconciliations are completed by the deputy treasurer.
- The cash balances recorded on the Auditor/Treasurer report and Summary Fund Report matched the total cash and investment balances per the Treasurer's Daily Balance Sheet (Form 6) for April 11.
- The sum of the cash balances recorded on the Auditor/Treasurer report and Summary Fund Report matched the total cash and investment balances per the Treasurer's Daily Balance Sheet (the Form 6) for 75 randomly selected dates from the period January 1, 2009 through April 10, 2011. However, for the selected dates, the cash balance per the Form 6 did not match the Auditor/Treasurer report and the investment balance per the Form 6 did not match the Auditor/Treasurer report. The variance in the cash balances was the exact inverse of the variance in the investment balances due to the method used to post interest earned.
- The Forms 6 were mathematically accurate for the same randomly selected 75 dates used for the step described above.
- The investments maintained by the County for the period January 1, 2009 through April 11, 2011 were stable in that the County as the County only invests in repurchase agreements.
- There were no personal checks from the former County Treasurer included in any of the selected 15 bank deposits tested for the period from the period January 1, 2011 through April 11, 2011.
- There were no non-payroll payments made to the former County Treasurer for the period January 1, 2009 through April 11, 2011.

We were not engaged to and did not audit cash, the objective of which would be the expression of an opinion on cash.

Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the addressees listed above and is not intended to be and should not be used by anyone else.



Dave Yost
Auditor of State

October 14, 2011



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HARRISON COUNTY TREASURER

HARRISON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 10, 2011