

EFFINGHAM COUNTY, ILLINOIS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended November 30, 2010

Section II: Financial Statement Findings (continued)

Condition: Effingham County did not identify or record capital asset information in a timely manner.

Cause: Procedures were not established to identify or record capital asset information.

Effect: Management or employees in the normal course of performing their assigned functions may not report capital asset information accurately.

Recommendation: As part of its internal control over capital asset reporting, personnel should properly identify and record capital assets when the purchase is recorded.

Management's Response: Management agrees with the finding and will implement controls to correct the situation.

2010-3 Bank Account Improperly Opened

Criteria: Effingham County procedures require bank accounts to be opened and maintained by the County Treasurer. County internal controls over cash should ensure that errors or irregularities are prevented or detected on a timely basis by personnel in the normal course of business.

Condition: The Sheriff's department opened a bank account in the County's name without the Treasurer's knowledge. In addition, the Treasurer and County Clerk were not authorized signers on the account.

Cause: The Sheriff's Department misunderstood that the awards are County money and should be reported on the County's financial statements.

Effect: Effingham County management or employees may not properly report Effingham County financial information, properly expend its funds, safeguard their assets, or effectively manage its cash which could result in noncompliance with federal programs and possible loss of federal moneys.

Recommendation: As part of its internal control over cash, personnel should ensure bank accounts cannot be opened without proper authorization. In addition, personnel should adhere to County procedures regarding the opening of bank accounts.

Management's Response: Management concurs with the finding and has made individuals aware of proper reporting procedures and requirements.