GENESEE COUNTY CLERK'S AND TREASURER'S ASSOCIATION
APRIL 6, 1994, 12:00 P.M., R.C. COOPER'S RESTAURANT

ATTENDANCE: 30

Don Becker called the meeting to order at 12:40 P.M.

Mr. Becker turned the meeting over to Sara Bachmann for the election of officers.

Sara said the Nominating Committee met and has nominated the following people for officers:

Don Becker, President
Janet Johnston, Vice President
Cheryl Ladd, Secretary
Ginger Spencer, Treasurer

Cheryl Azelton, Program Committee
Diane Fortune, Program Committee
Jerry Stadler, Program Committee

Moved by Carl Liepmann, supported by Jerry Richards to close nominations. Motion carried unanimously.

Moved by Carol Arvoy, supported by Carl Liepmann to elected the above stated nominees. Motion carried unanimously.

Mr. Becker said we have had good programs in the past and if anyone has any ideas regarding programs, please contact the board.

ANNOUNCEMENTS:

The MTA will be meeting on Thursday, April 21, 1994 at Davison Township.

Janet Johnston said the Clerk's have a meeting with the State Election Division Thursday, April 7, 1994 at 9:00 A.M. at Grand Blanc Township.

Mr. Becker said Carol Arvoy of Data First will be displaying a new Voter Registration Package to the City of Burton.

Doris Carpenter gave a report from the Treasurer's Meeting. She said bar coding will be on December tax statements. If the Treasurer's decide what bar coding package they would like, we can notify the County Treasurer's Office and they will let this out for bids. The wands can be moved from one computer to another. Coupons for bank tax collections will be on the summer tax statements. The system will not be open on April 11, 1994 for Summer Specials.

Carl Liepmann gave a report after meeting with the County Treasurer, County Commissioners and Bill Fowler. He said the meeting went well. The various problems encountered by the units of government were discussed at great length. He said the one positive result of the meeting is that when a unit of government calls the Equalization Department, they will assign one person to that unit and only that person will give you answers to your problems.

Discussion was held regarding collection of summer school taxes.

GUEST SPEAKER: Joe Heffernan, Plante & Moran

Mr. Heffernan said he would like to address the problem of fraud. There are two (2) particular municipalities in Genesee County which have experienced fraud. It's important that you are aware that fraud can occur and how it can occur.

One of the important things in protecting yourself against fraud is to have an appropriate check and balance system. It is difficult to have an appropriate perspective without the employees feeling they are not trusted. We need to protect the employee by having proper procedures. The profile of a fraud offender includes a motive, inadequate internal controls and rationalization. There are three elements of fraud: 1) the act; 2) the concealment – falsifying balances and 3) the conversion - depositing stolen funds in own account or making a purchase with them. It is always advisable to force personnel to take vacations so someone else can do their job. This give you a check and balance system. The act of fraud only takes 20 seconds but months ahead trying to conceal the act.

There are common frauds in municipalities such as cash conversions and purchasing conversions. The cash conversions occur in remote locations such as parks and recreation facilities who may employ young people or part time people, golf courses, swimming pools, parking lot meters, senior citizen centers, building departments, etc. The District Court is known as being number one in frauds and it is very difficult to find the offender. The Treasurer's Office can be another place for frauds, but they usually have much better internal controls than some of the other previously stated places.

The purchasing conversions may include payments to phone vendors/phony employees; payment to bona fide vendors for goods that are converted to personal use (or employees who perform labor for personal use); bribes or kickbacks from suppliers and undocumented expense reimbursements.

To prevent or detect fraud you must watch for the following:

A. Be aware of behavioral changes such as attitude and lifestyles.
B. Be open to tips/complaints from customers, employees.
C. Develop and maintain a strong internal control system (segregation of duties, prenumbered documents with sequence accounted for, subledgers reconciliation, bank reconciliations reviewed by a second person, written purchasing policy, approval for all non-cash ledger adjustments and most importantly, annual vacations should be mandatory so others may perform the duties).
D. Have a proactive fraud policy (random audits of petty cash, perform background checks before hiring, etc.)

Mr. Becker adjourned the meeting at 1:40 P.M.

Respectfully Submitted,

Cheryl M. Ladd, CMC/AAE
Secretary