

Montcalm County hears report from new auditor

■ *Commissioners plan to promote accountant to CFO*

BY ELISABETH WALDON
DAILY NEWS NEWS EDITOR

STANTON — The Montcalm County Finance & Personnel Committee heard some hopeful news Monday from the county's new auditor.

Joe Verlin of Gabridge & Co., a Grand Rapids-based auditing firm, updated commissioners on the ongoing county audit.

In 2016, commissioners hired Gabridge after deciding not to renew the county's contract with Abraham & Gaffney due to alleged errors and irregularities with work performed by Abraham & Gaffney and the county's former controller-administrator Chris Hyzer. Last month, commissioners

took the severed contract a step further by hiring Clark Hill of Detroit to investigate and possibly bring a lawsuit against Abraham & Gaffney.

On Monday, Verlin reported that while the county's total net position has decreased by \$1.6 million in the past year, the county's general fund now has a "substantial increase" of \$3 million, which puts the fund in a "reasonably healthy, stable condition." Gabridge officials will present an official audit report to the county in mid-March based on the county's status as of Sept. 30, 2016.

"We will be issuing an unmodified opinion," Verlin told commissioners. "The financial statements are going to respect the financial situation of the county. Unmodified doesn't sound all that exciting, but it is a

SEE AUDITOR, PAGE 2



Daily News/Elisabeth Waldon

Joe Verlin of Gabridge & Co., a Grand Rapids-based auditing firm, updated Montcalm County commissioners on Monday about the county's ongoing audit and financial progress.

AUDITOR

CONTINUED FROM PAGE 1

clean opinion, and that should always be the county's goal, to receive a clean opinion."

Verlin commended county officials for following through on their deficit elimination plan with the Michigan Department of Treasury. He reported the county's incorrect journal entries have been entirely resolved thanks to work done by Rehmann Robson, a Troy-based accounting firm hired by the county.

"They have done their jobs, they've served the county very well," Verlin said. "A very clean product was delivered to us as part of the audit process."

Several other items are still being worked on, including unfavorable budget variances, a delinquent audit report, bank reconciliations and fund balance deficits. Verlin also recommended the county add more independent reviews of key financial transactions, document controls and best practices for better accountability.

"There are a significant number of people at the county who have access to cash receipting, there are certain interactions that we think can be narrowed to a select group of people so there aren't so many people with access," he said. "Right now there's so many people posting cash receipts."

Commissioner Patrick Q. Carr of Lakeview asked about the county's overall progress.

"What will we look like to the state when our audit is complete, compared to the rest of the counties in the state?" he asked. "Are we going to be in the middle of the pack, worse than average, a little above?"

"I think (the Department of) Treasury will be pleased



Montcalm County Controller-Administrator Robert Clingenpeel, left and Montcalm County Board of Commissioners Chairman Patrick Q. Carr listen to an audit report Monday.

by a couple of things," Verlin answered. "First, that the county followed its deficit elimination plan. Secondary, the general fund showed an increase in fund balance. This will be a year where the county shows a strong increase in its general fund balance to the tune of about \$3 million, and that will look good to Treasury."

PROMOTION AND NEW HIRE

Montcalm County Controller-Administrator Robert Clingenpeel credited accountant Brenda Taeter and Treasurer JoAnne Vukin for much of the county's financial progress. Clingenpeel has been thinking of ways to restructure his office and with that in mind, he recommended promoting Taeter to become the county's chief financial officer, a new position.

"I think she has certainly shown her abilities in this area and I think it's probably something that should have been done awhile ago," he said.

Clingenpeel also recommended hiring a full-time finance clerk to be shared

between the controller's office and the treasurer's office.

"We definitely need somebody who has a good handle and grasp on finance," he said. "The premium would be on somebody with experience. I certainly wouldn't discourage someone who works for the county from applying, but I think we need to open it up to everybody."

Vukin agreed a shared finance clerk is needed between the two offices, "so we are never in a position like we were before, where the left hand didn't know what the right hand is doing."

"We would have a much greater handle on our finance side and I would be more involved in accounting the general ledger back to the bank statements," Vukin said. "I would just like to see my office more involved so I feel better about understanding why we have the amount in the bank that we have, and that's it's OK."

The committee recommended both hiring proposals to the full board, which will next meet at 6 p.m. Feb. 27.

ewaldon@staffordgroup.com



The driver of a silver Ford F-250 pickup truck, Wayne Christiansen of Stanton, sustained injuries in a two-vehicle head-on crash Tuesday morning on Sidnev Road.