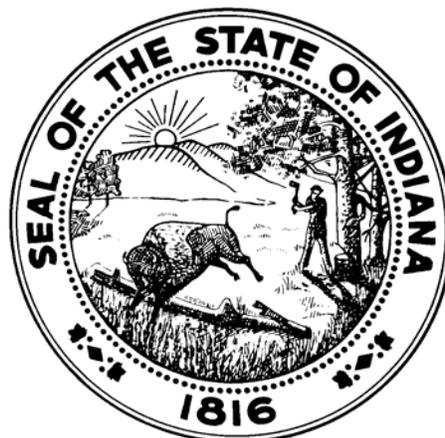


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

AUDIT REPORT
OF

ANIMAL SHELTER
CITY OF JEFFERSONVILLE
CLARK COUNTY, INDIANA

January 1, 2004 to October 5, 2005



FILED
11/13/2006

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Harry Wilder	01-01-04 to 12-31-06
Operations Coordinator	Roy Gartelman	01-01-04 to 12-31-06
Clerk-Treasurer	Peggy Wilder	01-01-04 to 12-31-07
Mayor	Robert Waiz	01-01-04 to 12-31-07
President of the Common Council	Phil McCauley Ron Grooms Barbara Wilson	01-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE CITY OF JEFFERSONILLE

We have audited the records of the Animal Shelter for the period from January 1, 2004 to October 5, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of the City of Jeffersonville for the year 2004 and an Annual Report to be issued for the year 2005.

STATE BOARD OF ACCOUNTS

September 27, 2006

ANIMAL SHELTER
CITY OF JEFFERSONVILLE
AUDIT RESULTS AND COMMENTS

CASH SHORTAGE

The Animal Shelter collects fees for various services that are performed. Collections are deposited periodically with the Clerk-Treasurer's office. We compared fees collected based on computer generated paid invoices (receipts) and payment information on adoption agreements to amounts deposited with the Clerk-Treasurer's office. For the period January 1, 2004 to October 5, 2005, our comparison showed Animal Shelter collections in the amount of \$6,323.22 were not deposited with the Clerk-Treasurer's office as summarized below:

<u>Collection Document</u>	01-01-04 to 12-31-04	01-01-05 to 10-05-05	<u>Totals</u>
Receipts on file	\$ 38,292.75	\$ 25,270.00	\$ 63,562.75
Adoption agreements (no receipt on file)	<u>5,887.00</u>	<u>8,280.00</u>	<u>14,167.00</u>
Total collections	44,179.75	33,550.00	77,729.75
Less:			
Total deposited with Clerk-Treasurer	39,673.79	31,582.74	71,256.53
Fees on hand 10-05-05	<u>-</u>	<u>150.00</u>	<u>150.00</u>
Cash shortage	<u>\$ 4,505.96</u>	<u>\$ 1,817.26</u>	<u>\$ 6,323.22</u>

The following is additional information regarding the cash shortage:

1. The Animal Shelter's collection procedures are summarized below:
 - (a) Roy Gartelman, Operations Coordinator, is the primary employee responsible for preparing adoption agreements and issuing receipts. If Roy Gartelman is on duty but not available, another employee will prepare the adoption agreement issue a receipt and collect the money. The employee is required to submit the adoption agreement, receipt and money to Roy Gartelman.
 - (b) It is the Animal Shelter's procedure to print two computer generated receipts. One receipt is given to the customer and one receipt is signed by the customer and is to be retained by the Animal Shelter.
2. We performed an analysis of adoption agreements where there were no corresponding receipts presented for audit. Our analysis disclosed 359 instances of adoption agreements showing fees being collected; however, receipts for these instances were not presented for audit. Roy Gartelman either prepared the agreement or was on duty for 92% of these instances.

Roy Gartelman did not provide an explanation as to why there would be adoption agreements on file with no corresponding receipt.

ANIMAL SHELTER
CITY OF JEFFERSONVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

3. Roy Gartelman was the only employee responsible for reconciling collections to receipts.
4. Roy Gartelman was the only employee responsible for remitting collections to the Clerk-Treasurer's office. We compared dates of when funds were collected to dates of when they were deposited with the Clerk-Treasurer's office. For the period January 1, 2004 to October 5, 2005, there were 58 instances when funds were held in excess of 6 days, as shown in the following schedule:

<u>Number of Days Funds Held</u>	<u>Number of Instances</u>
6-10 days	26
11-15 days	22
16-19 days	4
20 days and over	<u>6</u>
Total	<u><u>58</u></u>

All collections made by any department or person connected with a city or town shall be turned into the Clerk-Treasurer at least weekly. When large amounts of collections are involved, turnovers shall be made daily to the Clerk-Treasurer. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 6)

Indiana Code 5-13-14-3 states in part: "A public officer who knowingly fails to deposit public funds, or knowingly deposits . . . except in the manner prescribed in this article, commits a Class B felony. The public officer also is liable upon the officer's official bond for any loss or damage that may accrue."

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

On September 27, 2006, we requested Roy Gartelman, Operations Coordinator, to refund \$6,323.22 to the City of Jeffersonville. (See Summary, page 9)

PERSONAL EXPENSES

The phone system used by Clark County encompasses all the departments of the County and also all the departments of the City of Jeffersonville, including satellite departments not in the City/County Building. When a billing statement is received by the County, it is copied and distributed to all departments of the County and City for review. Once found to be accurate and approved by the applicable board, a check is

ANIMAL SHELTER
CITY OF JEFFERSONVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

issued and returned to the County to be placed with the billing statement for payment. When questionable phone charges are found, a copy of the bill is sent to the appropriate department or office for investigation. If there are any phone charges found to be of a personal nature, a refund is requested from the responsible employee and sent to the County to be placed with the billing statement for payment.

For the months of September, October and November of 2005, charges were found on the billing statements for calls made to 1-900 numbers from the Animal Shelter's telephone number. The City investigated the calls and determined that the calls were not for City business and that the calls were made by Roy Gartelman, Operations Coordinator.

At the request of the City, Roy Gartelman repaid the City \$141.91 on December 29, 2005.

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PUBLIC RECORDS RETENTION

As stated in the Audit Result and Comment titled "Cash Shortage", receipts signed by customers were not presented for audit.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Indiana Code 5-15-6-8 states: "A public official or other person who recklessly, knowingly, or intentionally destroys or damages any public record commits a Class D felony unless:

- (1) the commission shall have given its approval in writing that the public records may be destroyed;
- (2) the commission shall have entered its approval for destruction of the public records on its own minutes; or
- (3) authority for destruction of the records is granted by an approved retention schedule established under this chapter.

ADDITIONAL AUDIT COSTS

The City of Jeffersonville incurred \$3,129 in additional audit costs for the investigation of missing funds.

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7).

ANIMAL SHELTER
CITY OF JEFFERSONVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

On September 27, 2006, we requested Roy Gartelman, Operations Coordinator, to refund \$3,129 to the City of Jeffersonville. (See Summary, page 9)

CRIME INSURANCE COVERAGE

The City of Jeffersonville has crime insurance policies as follows:

Surety:	Arch Insurance Company
Term:	08-06-03 to 08-06-04
Amount:	\$50,000
Deductible:	\$250

Surety:	Arch Insurance Company
Term:	08-06-04 to 08-06-05
Amount:	\$50,000
Deductible:	\$250

Surety:	St. Paul Travelers
Term:	08-06-05 to 08-06-06
Amount:	\$50,000
Deductible:	\$1,000

PRESCRIBED FORMS

The following are descriptions of the receipt forms the Animal Shelter uses:

1. A computer generated invoice is used as a receipt. The computer generated invoice does not have controls in place to account for all receipts issued.
2. A manual receipt form is used when the computer generated invoice cannot be generated.

The above forms were put into use without receiving State Board of Accounts approval. General Receipt Form 352 is the prescribed form to be used in issuing receipts.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7).

ANIMAL SHELTER
CITY OF JEFFERSONVILLE
EXIT CONFERENCE

The contents of this report were discussed on September 27, 2006, with Roy Gartelman, Operations Coordinator. The official concurred with our audit findings.

The contents of this report were also discussed on September 27, 2006, with Harry Wilder, Director; and on October 4, 2006, with Robert Waiz, Mayor; and Les Merkley, City Attorney.

ANIMAL SHELTER
 CITY OF JEFFERSONVILLE
 CLARK COUNTY
 SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Roy Gartelman, Operations Coordinator:			
Cash Shortage, pages 4 and 5	\$ 6,323.22	-	\$ 6,323.22
Additional Audit Cost, pages 6 and 7	<u>3,129.00</u>	<u>-</u>	<u>3,129.00</u>
 Totals	 <u>\$ 9,452.22</u>	 <u>-</u>	 <u>\$ 9,452.22</u>

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AFFIDAVIT

STATE OF INDIANA)
Clark COUNTY)

We, Christopher Sedam and Karen S. Kelleher, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Animal Shelter, City of Jeffersonville, Clark County, Indiana, for the period from January 1, 2004 to October 5, 2005, is true and correct to the best of our knowledge and belief.

Karen S. Kelleher

Christopher A. Sedam
Field Examiners

Subscribed and sworn to before me this 2nd day of November, 2006.

Keith Pratt
Clerk of the Circuit Court