

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT
OF
HEALTH DEPARTMENT
PARKE COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
04/26/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Internal Controls	4
Exit Conference	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Health Officer	Dr. J. Franklin Swaim	01-01-06 to 12-31-07
Clerk/Registrar	Dena L. Foxworthy	01-01-06 to 12-31-07
Sanitarian	Shelly Girdler	01-01-06 to 12-31-07
President of the Board of Health	Jill Rice Michael D. DePlanty	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	Dale E. Gerrish	01-01-06 to 12-31-07
President of the Board of County Commissioners	George Nicholas	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PARKE COUNTY

We have audited the records of the Health Department for the period from January 1, 2006 to December 31, 2006, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Parke County for the year 2006.

STATE BOARD OF ACCOUNTS

March 19, 2007

HEALTH DEPARTMENT
PARKE COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Controls over the receipt of septic permit fees and the issuance of septic permits were insufficient. We selected twenty-five permits haphazardly from the applicant files for testing. One applicant file that was selected for testing included a copy of a valid permit but the related receipt was voided. When the Sanitarian was approached about this, she came in with a second folder for this account. The folder contained \$50 in cash for which a receipt had not been written. The permit was issued approximately one year prior to the remittance of the cash. Because of this occurrence, testing was extended. All void receipts were reviewed. A second void receipt was identified for which a valid permit was issued. Based on this result, we attempted to match all permits to a corresponding receipt. When more than thirty permits numbers could not be traced to receipts, we asked the Health Department to account for every permit number. The Sanitarian prepared a listing of permit numbers that noted the person to whom the permit was issued or whether the permit was voided, caught in printer, not printed, etcetera. The following deficiencies were noted:

1. Per the Sanitarian, Receipt 2029 was voided and money was refunded when the individual could not install their septic. The unissued permit was still in the folder.
2. When accounting for all permit numbers it was discovered that voided permits are not retained for audit.
3. Applicants were not charged if their permits were denied.
4. Completed permits were in the files that had not been issued and had not been voided.
5. Two permits were issued in this period to replace permits from the previous Sanitarian's administration. One was replaced at no charge because the original from a prior period could not be found and the second was replaced because a numbered permit was needed for an insurance claim. The previous permits were not numbered.
6. Permit 1122, on the listing provided by the Sanitarian as caught in printer, was observed in the applicant's file as being handwritten.
7. A series of twenty-five permits was not printed due to a mistake in the beginning number ordered from the printer.
8. Records were kept at the home of the Sanitarian for more than a year.
9. Receipts were not immediately written for amounts collected during site inspections.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

HEALTH DEPARTMENT
PARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 19, 2007, with George Nicholas, President of the Board of County Commissioners; Greg A. Harbison, County Commissioner; and Diana Hazlett, Auditor. The officials concurred with our audit finding.

The contents of this report were discussed on March 19, 2007, with Michael D. DePlanty, President of the Board of Health; Dena L. Foxworthy, Clerk/Registrar; and Shelly Girdler, Sanitarian.