

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

AUDIT REPORT
OF
PARK AND RECREATION DEPARTMENT
BROWN COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
02/22/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Park and Recreation Director	Mike Roberts	01-01-06 to 12-31-07
President of the County Council	David Critser	01-01-06 to 12-31-07
President of the Board of County Commissioners	Stephanie R. Yager	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF BROWN COUNTY

We have audited the records of the Park and Recreation Department, Brown County, Indiana, 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Brown County for the year 2006.

STATE BOARD OF ACCOUNTS

December 11, 2007

PARK AND RECREATION DEPARTMENT
BROWN COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

In numerous instances, receipts were not written. Receipts could not be matched to bank deposits.

The Department had two accounts. Record balances were not reconciled to depository balances during the two year period. At December 31, 2006, one account was \$176.00 short because of overdraft charges and the other account was \$433.74 short because of not sufficient funds checks, check fees and a deposit error.

There was a considerable amount of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and nonsufficient funds checks incorrectly posted.

Some transactions were recorded as "negative" receipts and disbursements.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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 Counties of Indiana, Chapter 1)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

DEPOSITS

In numerous instances, receipts were deposited later than the next business day.

Indiana Code 5-13-6-1 requires all public funds shall be deposited not later than the business day following the receipt of funds on business days of the depository.

The statute also provides public funds shall be deposited in the same form in which they were received. This simply means all daily receipts received by the political subdivision must be deposited intact. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 6)

REPORT OF COLLECTIONS FILED DELINQUENTLY

Report of Collections filed with the County Auditor were remitted delinquently. The required reports were provided to the County Auditor up to three months after the end of the month.

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 Counties of Indiana, Chapter 1)

PARK AND RECREATION DEPARTMENT
BROWN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

BANK ACCOUNT OVERDRAFT CHARGES

During December of 2006 there were six overdraft fees, totaling \$176, that were charged to the Petty Cash bank account.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

PETTY CASH FUND

A voucher for \$20 was not retained concerning the reconciliation of the Petty Cash Fund.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

FUND SOURCES AND USES

Funds of \$870 were disbursed from the Petty Cash Fund in 2006 to a vendor for computer system modifications. The disbursement was not allowed per the ordinance that established the fund.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

A vendor performed information technology work for the Park and Recreation Department in 2006 and was paid \$870 for his services. This vendor did not receive IRS Form 1099.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

PARK AND RECREATION DEPARTMENT
BROWN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

PARK AND RECREATION DEPARTMENT
BROWN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2007, with Mike Roberts, Park and Recreation Director; and Debbie Mathis, Office Manager.