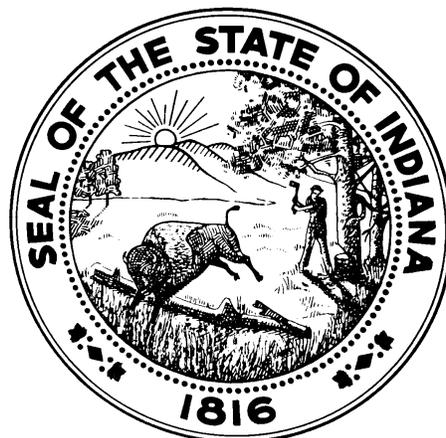


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

ADULT EDUCATION CENTER
PORTAGE TOWNSHIP SCHOOL CORPORATION
PORTER COUNTY, INDIANA

January 1, 2005 to January 17, 2008



FILED

06/20/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Receipts Not Deposited	4-5
Checks Substituted for Cash	5
Accountable Items Not Deposited	6
Additional Audit Costs	6
Official Bonds.....	7
Receipts Not Deposited Timely	7
Public Records Retention	8
Textbook Rental Receipts	8
Payroll.....	8-9
Internal Controls – Adult Education Center	9-10
Exit Conference.....	11
Official Response	12-21
Summary	22
Affidavit	23

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Extra-Curricular Account Treasurer	Wanda Lanter	01-01-05 to 06-30-08
Adult Education Center Director	Linda Friedrich Paula Siminski	01-01-05 to 02-16-07 02-17-07 to 06-30-08
School Corporation Treasurer	David M. White Sharon Qualkenbush	01-01-05 to 01-08-06 01-09-06 to 06-30-08
Superintendent of Schools	Michael Berta	01-01-05 to 06-30-08
President of the School Board	Terry Hufford	01-01-05 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF PORTAGE TOWNSHIP SCHOOL CORPORATION

We have audited the records of the Adult Education Center for the period from January 1, 2005 to January 17, 2008, 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 Audit Report of Portage Township School Corporation.

STATE BOARD OF ACCOUNTS

February 11, 2008

ADULT EDUCATION CENTER
 PORTAGE TOWNSHIP SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS

RECEIPTS NOT DEPOSITED

The Adult Education Office collected General Educational Development (GED) Testing Fees, Spanish Class Fees, Computer Class Fees and Graduation Fees.

The Adult Education staff that collected fees and issued receipts included the following individuals:

Paula Siminski (Current Director, former Assistant Director); Linda Friedrich (Former Director); Rebecca Reiner (Assistant Director); Gail (Renaldo) Ludwig (Evening Supervisor); Robert Platt (Evening Supervisor); Irma Leticia (Lettie) Munguia (Clerk); and Barbara Prange (Secretary).

The Adult Education Office staff issued receipts to persons paying the fees at the time the fees were paid. The receipt forms used were prenumbered, but were not prescribed or approved by the State Board of Accounts. The unapproved receipt form was a duplicate which had a white copy which was issued to the person paying the fee, and a yellow copy which was retained by the staff and placed with the money in a locked bag inside the office vault.

Office staff that had access to the vault and locked bags were Gail (Renaldo) Ludwig; Robert Platt; Irma Leticia (Lettie) Munguia; and Barbara Prange (Secretary).

Wanda Lanter, Extra-Curricular Account Treasurer, did not issue the unapproved receipts. She was responsible for removing the collections and receipts from the vault and locked bag. When she would remove the collections, she would issue a prescribed Extra-Curricular Account (ECA) receipt form (Form SA-3).

The yellow copies of the receipts were attached to the original or duplicate copy of the ECA receipt, and the deposit was to be prepared and taken to the bank by Wanda Lanter, Extra-Curricular Account Treasurer.

The GED test rosters disclosed the identification of the GED receipts not deposited in the amount of \$19,473.50 as follows:

	January 1, 2005 to June 30, 2005	July 1, 2005 to June 30, 2006	July 1, 2006 to June 30, 2007	July 1, 2007 to November 30, 2007	Totals
GED Receipts	\$ 3,832.00	\$ 5,520.00	\$ 8,848.00	\$ 3,104.50	\$ 21,304.50
Less:					
GED Receipts Deposited	<u>(1,479.00)</u>	<u>(352.00)</u>	<u>-</u>	<u>-</u>	<u>(1,831.00)</u>
GED Receipts Not Deposited	<u>\$ 2,353.00</u>	<u>\$ 5,168.00</u>	<u>\$ 8,848.00</u>	<u>\$ 3,104.50</u>	<u>\$ 19,473.50</u>

ADULT EDUCATION CENTER
 PORTAGE TOWNSHIP SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

The Computer Class receipts not deposited for the 2005-2006 school year was \$780 and for the 2006-2007 school year was \$315 for a total of \$1,095 as follows:

Computer Class Receipts	\$ 1,385
Computer Class Receipts Deposited	<u>(290)</u>
 Computer Class Receipts Not Deposited	 <u>\$ 1,095</u>

The Spanish Class rosters disclosed the identification of the Spanish Class receipts not deposited in the amount of \$835 as follows:

January 2005 to March 2005	\$ 150
September 2005 to December 2005	370
September 2007 to November 2007	<u>315</u>
 Total	 <u>\$ 835</u>

Additionally, graduation fees were handled in the same way. Graduation fees not deposited totaled \$509.

Rosters were also prepared by the Office staff as payments were collected. The rosters indicated the student name, the date of the test, the amount paid, the receipt date and number. The total of GED, Computer Class, Spanish Class, and graduation fees not deposited was \$21,912.50

We requested Wanda Lanter, Extra-Curricular Account Treasurer, to reimburse the Portage Adult Education Center \$21,912.50 of receipts not deposited. (See Summary, page 22)

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

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 Extra-Curricular Accounts, Chapter 7)

CHECKS SUBSTITUTED FOR CASH

Receipts issued for \$384 in cash were not deposited. Checks totaling \$384 were substituted for the cash when the deposits were made to the bank.

We requested Wanda Lanter, Extra-Curricular Account Treasurer, to reimburse \$384 to the Adult Education Extra-Curricular Account for the cash collections not deposited as a result of substituting checks for cash. (See Summary, page 22)

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

ADULT EDUCATION CENTER
 PORTAGE TOWNSHIP SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

ACCOUNTABLE ITEMS NOT DEPOSITED

The Adult Education Center managed the pop vending machines for the 2005-2006 and 2006-2007 school years. Records indicated that the following individuals handled the money for 2005-2006: Linda Friedrich (former Director); Barbara Prange (Secretary); Irma Leticia (Lettie) Munguia (Clerk); and Wanda Lanter, (Extra-Curricular Account (ECA) Treasurer). For 2006-2007, records indicated that Wanda Lanter (ECA Treasurer) and Nancy Shuttz (Head Custodian) handled the pop money. Beginning in the 2007-2008 school year, the pop vendor manages the vending machines and issues a commission check to the Adult Education Center.

We determined that not all pop vending machine collections were deposited based on the following analysis:

24,432 Cans of Pop Purchased for Resale in 2005-2006 at \$0.50 Each	\$ 12,216.00
Cash Disbursements Made from Pop Collections for 2005-2006	(136.07)
Cash Collections from Pop Sales Deposited to the Bank in 2005-2006	<u>(8,310.03)</u>
 Amount Not Deposited for 2005-2006	 <u>3,769.90</u>
 21,552 Cans of Pop Purchased for Resale in 2006-2007 at \$0.50 Each	 10,776.00
Cash Collections from Pop Sales Deposited to the Bank in 2006-2007	<u>(10,643.00)</u>
 Amount Not Deposited for 2006-2007	 <u>133.00</u>
 Total Not Deposited	 <u><u>\$ 3,902.90</u></u>

We requested Wanda Lanter, Extra-Curricular Account Treasurer, to reimburse the Portage Adult Education Center \$3,902.90 of pop collections not deposited to the Adult Education extra-curricular account. (See Summary, page 22)

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting.

Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ADDITIONAL AUDIT COSTS

Additional audit costs were incurred due to the audit of the receipts not deposited. Additional audit costs totaled \$25,281.92.

ADULT EDUCATION CENTER
 PORTAGE TOWNSHIP SCHOOL CORPORATION
 AUDIT RESULTS AND COMMENTS
 (Continued)

OFFICIAL BONDS

The School Corporation had Official Bonds for the Adult Education Center Extra-Curricular Account Treasurer as follows:

<u>Surety</u>	<u>Bond Number</u>	<u>Term</u>	<u>Amount</u>
Travelers Casualty and Surety Company	104197460	07-01-04 to 07-01-05	\$ 150,000
Travelers Casualty and Surety Company	104197460	07-01-05 to 07-01-06	150,000
Travelers Casualty and Surety Company	104197460	07-01-06 to 07-01-07	150,000
Travelers Casualty and Surety Company	104197460	07-01-07 to 07-01-08	150,000

The School Corporation also had crime policies as follows:

<u>Surety</u>	<u>Policy Number</u>	<u>Term</u>	<u>Amount</u>
Indiana Insurance Company	CBP9336275	08-01-04 to 08-01-05	\$ 10,000
Indiana Insurance Company	CBP9336275	08-01-05 to 08-01-06	10,000
Indiana Insurance Company	CBP9336275	08-01-06 to 08-01-07	10,000
Indiana Insurance Company	CBP9336275	08-01-07 to 08-01-08	10,000

RECEIPTS NOT DEPOSITED TIMELY

Receipts in numerous instances (17 of 26 or 65%) were deposited 15 to 85 days after the receipt date. Similar comments were in the prior report.

Deposits were not made for receipts used for cash payments as follows:

1. Cash payment was made to the GED tester in the amount of \$11,644 during the period from January 2005 through December 2006. The total of the related receipts was \$13,616 of which \$1,972 was deposited to the bank.
2. Cash payments were made from pop machine collections in the amount of \$136.07 for dry cleaning of drapes, gasoline, postage stamps, supplies, etc.

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ADULT EDUCATION CENTER
PORTAGE TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

PUBLIC RECORDS RETENTION

Four different computer class rosters, listing the computer class topic, date, student's name, address, telephone number, and payment information for the 2006-2007 school year and two computer class rosters for the 2005-2006 school year and some GED testing rosters were not presented for audit. Collections recorded on the miscellaneous receipt for computer and Spanish classes, GED testing, caps and gowns, tassels, and diploma covers and inserts were not all available 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."

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 Extra-Curricular Accounts, Chapter 7)

TEXTBOOK RENTAL RECEIPTS

The composition of the cash and checks for the textbook rental receipts (Form TBR-2) did not agree to the composition of the Extra-Curricular Account (ECA) receipt on five occasions for the four months that were tested. The cash on three occasions on the ECA receipt exceeded the amount collected on the TBR-2 and on the other two occasions the checks on the ECA receipt exceeded the amount collected on the TBR-2.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

PAYROLL

The following deficiencies were noted with the adult education payroll:

1. The biweekly time sheets were not always signed by the supervisor.
2. The biweekly time sheets for employees who held more than one position only included total hours worked by day instead of showing hours worked each day by position.
3. There were instances where individuals were paid cash from receipts received instead of going through the payroll or claim process. One individual received \$5,185 and \$6,459 for calendar years 2005 and 2006, respectively, requiring that these amounts be reported to federal and state agencies. Neither a W-2 or Form 1099, Miscellaneous Income, was issued to the individual in either year.

Indiana Code 5-11-9-4 requires in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

ADULT EDUCATION CENTER
PORTAGE TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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 Indiana Public School Corporations, Chapter 7)

INTERNAL CONTROLS - ADULT EDUCATION CENTER

There were material weaknesses in controls over the Adult Education Center receipts and disbursements.

One individual, the part-time Extra-Curricular Account (ECA) Treasurer, issued official receipts (Form SA-3), made deposits to the bank, issued checks, posted transactions to the ledgers, and reconciled the ledger to the bank account. The ECA Treasurer also worked full-time in the Portage Township School Corporation's Information Service Department. The ECA Treasurer took the extra-curricular account records, including the money collected, and worked from home and not at the Adult Education Center.

Seven other individuals issued miscellaneous receipts that were not prescribed by the State Board of Accounts. The miscellaneous receipts issued were in various forms depending on the type of collection (book receipts, partial payment of fees, GED test fees, etc.). Some miscellaneous receipts were prenumbered (GED test fees; diplomas, caps/gowns, and tassels fees), others were not numbered. Collections from the pop machines were accounted for on a hand written piece of paper as documentation. The miscellaneous receipts were used as supporting documentation for the official receipts (Form SA-3) issued by the ECA Treasurer.

The money collected was placed in the vault or file cabinet at the Adult Education Center in a locked moneybag. Each individual had access to the vault or file cabinet.

The ECA Treasurer returned the receipts to the Adult Education Center after processing. The ECA Treasurer stated that the receipts were returned in good order; however, when requested for audit, receipts were not filed in any order, numerically or otherwise. Many miscellaneous receipts were not found, including some for GED testing fees, diploma fees, cap/gown fees, and tassel fees; therefore, the actual collections could not be verified.

Cash payments were made to the GED tester based on a hand written piece of paper showing the number of students tested, the amount due and the signature of the tester.

The ECA Treasurer periodically (on Tuesdays and Thursdays per the ECA Treasurer) processed the collections (reconcile miscellaneous receipts into batches by attaching calculator tapes for the respective batches of miscellaneous receipts less cash disbursements to the GED tester/proctor; issue official receipts and make the deposits to the bank account). The ECA Treasurer on the weekends issued checks, posted transactions to the ledger, prepared bank reconciliations, and prepared the financial statements.

ADULT EDUCATION CENTER
PORTAGE TOWNSHIP SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

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 Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Internal controls over vending operations, concessions or other sales should include, at a minimum, a regular reconciliation of the beginning inventory, purchases, distributions, items sold and ending inventory to the amount received. Any discrepancies noted should be immediately documented in writing to proper officials. The reconciliation should provide an accurate accounting. Persons with access to vending should be properly designated and access should be limited to those designated. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

All school corporation money must be deposited in the duly designated depository not later than the business day following the receipt of funds on business days of the depository designated in the same form in which the funds were received in accordance with IC 5-13-6-1. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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."

ADULT EDUCATION CENTER
PORTAGE TOWNSHIP SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 11, 2008, with Wanda Lanter, Extra-Curricular Account Treasurer; Michael Berta, Superintendent of Schools; Terry Hufford, President of the School Board; Irma Leticia (Lettie) Munguia, Secretary; Nancy Shultz, Head Custodian; Barbara Prange, Secretary; Paula Siminski, Interim Director; Gail Ludwig, Night Supervisor; Rebecca Reiner, Interim Assistant Director; Linda Friedrich, former Director; Robert Platt, Evening Supervisor; Sharon Qualkenbush, School Corporation Treasurer; and Lisa Rosinko, Assistant to School Corporation Treasurer. The official response has been made a part of this report and may be found on pages 12 through 21.

General Response to Exit Interview
Audit 2005-2007
Adult Education Center
Portage Township Schools

The results of the audit 2005-2007 were a shock to the staff of the Portage Adult Education program. It was unbelievable. We were sure that there was a mistake in the preliminary audit report. When the boxes of data were returned to the adult ed center, we began to re-create what the auditors had done for the past four months. However, after numerous late-night sessions we finally began to see what the auditors had indicated; there were unaccounted for receipts.

Prior to the preliminary exit interview on January 28, 2008, several exhaustive searches were conducted for any unaccounted for receipts, class rosters or other pertinent documents. All areas- offices, classrooms, storage rooms, closets, and cabinets- were emptied and searched item by item. During the search some additional receipts were found. Teachers were also notified to submit copies of their class rosters to provide requested documentation. Three funds were re-evaluated based upon this new information. Attached are revised fund summaries of the computer classes, diplomas, and Spanish classes. A detailed list is available if you wish to view it.

After the 2003-2005 audit, changes were instituted at the adult education center. Several of the forms used in the office were discontinued. The receipts for the bookstore, partial payment receipts for registration fees, and the registration form as a receipt were all eliminated. A letter was sent to Indianapolis (see attached) to request approval for a receipt to encompass the other program fees that are paid at the center. The response indicated that the form presented was not approved and stated that we should use the SA-3, an already approved form. At this time individual SA-3's were written for each in-house receipt. The Textbook Rental Receipts (TBR-2), an approved document, became the receipt for the collection of the registration fees for the adult high school secondary classes. The SA-9 Accountable Items Review form was initiated for the documentation of the pop concessions. SA-7 Claim For Payment forms were also obtained and used. In addition, to limit the number of people accessing the money, a bag system was introduced. Four people were assigned bags for the collections of monies within the office. Each person had his/her own bag and a key. The treasurer held the only other key. Bags were assigned to the head custodian for the pop funds, the daytime clerk for the daytime receipts, two evening supervisors for their particular evenings' receipts. Starting with January 2007 GED testing, payment for the examiner was handled through the payroll department.

The Portage Adult Education Center, with the assistance of the Portage Township Schools administrative staff, has refurbished the operating procedures for the Extra Curricular Account. There is currently an on-site treasurer. Only approved forms are being used for official and backup documentation. All unofficial receipts still in the building have been logged, and taken to the PTS Director of Finance to be destroyed. A copy of the signed log is attached to this document as requested by Mr. Standifer. No cash payments have been issued as of January 17, 2008. The 2005-2007 audit records have been gathered for future review, if needed. Future records will be organized prior to the arrival of the auditors and maintained indefinitely. The vending companies presently handle all concessions. Payroll time sheets meet the required standard as of this writing. In addition, all locks have been changed, the vault combination was changed, the code for the security system will be reprogrammed, and authorized collectors have been assigned to a limited number of daytime staff only.

Response to Exit Interview
Audit 2005-2007
Adult Education Center
Portage Township Schools
Paula Siminski, Interim Director

On February 23, 2007, I was asked to perform the duties of director of Portage Adult Education on an interim basis when the woman who was hired declined the position because of family problems. On June 15, 2007, I was asked to continue on in the position for the 2007-08 school year. Previously, I held the position of assistant director from July 1, 2000 until I became interim director.

During my years as assistant director I would sometimes help out in the office. Our office operates with a minimal staff and it is necessary from time to time for someone other than the secretary, Barb Prange, to take in cash and issue receipts. From time to time a staff member like myself would take over her counter duties so she could eat lunch or take a needed restroom break. Sometimes it was necessary to help her at the counter if more than one person came in to sign up for the GED or pay for class fees. The names of these people were identified in the auditor's report on February 11, 2008. Robbin Kern's name should be added to the list. This was the only dealing most of us had with the cash handling policies of the adult education center. To the best of my knowledge, cash handling was generally done by the day and nighttime supervisors and keys to the safe in the director's office were issued only to L. Munguia, W. Lanter, B. Prange, the nighttime supervisors, the GED examiners, and Mrs. Friedrich (director at the time).

Upon becoming director in February 2007, I was issued the key to the safe that is kept in my office (previously Mrs. Friedrich's key). The safe is where the locked bags were kept for the day and nighttime supervisors until our ECA Treasurer, Wanda Lanter, came to pick the bags up for deposit. Even though I had no direct dealing with the cash handling procedures while I was assistant director, I was aware that our ECA treasurer came periodically to pick up the bags to bank the money and record these transactions into her treasurer's books. She performed her duties off-site. As interim director, I continued the cash handling procedures, just as they had been done. I continued the practice because; Wanda had been our treasurer for many years and I thought the situation was considered an acceptable procedure. Our organization had passed prior audits and Wanda's experience with keeping the ECA account in good order was a great help to me as I learned the many other aspects of my job as director. I have the utmost confidence in her abilities.

When the audit results were shared with our staff, I realized that many changes needed to be put in place not only for security purposes, but also to protect the entire staff. I have changed the lock on the safe in my office and issued new keys to L. Munguia, B. Prange, the GED Examiners and myself. I also had the vault combination changed, and have scheduled maintenance to come out and change the security code for our building. PTS maintenance also put a new lock on the cash drawer in the main office. There are only two keys. One key was issued to the daytime secretary, Barb Prange and the other key is kept locked in the safe in the director's office to be used in the event of Barb's absence. My assistant director, Rebecca Reiner and I are acting as the ECA treasurer until someone can be hired and trained. I began the ECA treasurer's duties on February 4, 2008 when The Director of Finance and I counted in bags not deposited by the former ECA treasurer. From February 4, 2008 the money has been banked daily. Cash intake has been assigned to limited staff during daytime hours only. Night supervisors can sign an individual up for the GED test, but the tester must either send a money order via mail or bring one in during daytime hours to pay for the test prior to the testing date. The receipt is their official entry pass to the test.

Comments to Exit Interview Audit Report
Audit 2005-2007
Submitted by: Wanda Lanter

- As per receipts Robin Kern was an additional staff member collecting fees
- To my knowledge the yellow copy of the receipt along with the money was placed in the money drawer located in the 2nd office. At the end of the day or evening shift, the drawer's contents were transferred to the safe (file cabinet) located in the Director's office. Beginning in the fall of 2006, the money was placed inside locked moneybags within the safe. These bags were purchased to keep the separation of monies per shift.
- To my knowledge keys to the safe were issued to Barb P., Lettie M., current Director, Evening Supervisors, GED Proctors and myself
- Lettie M. was the only person I knew who was issued a key to the vault
- Contents of the safe included: Daily money bags, GED moneybag , deposit bags, keys and GED test materials
- Upon collection of the money and the receipts, money was verified by matching receipt amount to incoming monies. The processing of the receipts (sorting by date, fund, alpha), deposits were made, and receipt batches were returned to the secretary for verification of deposit and office reference
- Along with receipts for GED monies, receipts for vouchers (written in error) were grouped together with the GED testers' pay slips. The check to pay the vouchers was than applied to the remaining receipts to balance the GED money bag
- To my knowledge, the custodian turned all proceeds from the pop machine into the office. All malfunctions of the vending machines were reported to the office and the vending companies were notified. The Sa-9 form was introduced in the fall of 2006. The vending company took over all operations in the fall of 2007. All inventories were to be sold.
- I feel that timely deposits were not made due to the GED procedure and hours worked by the Treasurer
- To my knowledge all office staff members have been informed of the importance of keeping and filing all documentation in an organized fashion

- While processing receipts, receipts are viewed for errors and corrected on the yellow copies of the TBR-2 forms. An error report is turned into the office. After reviewing my yellow copies of the TBR-2 forms, I found one batch resulting in a \$25.00 check not listed on a TBR-2 form.
- Over time the Treasurer's responsibilities have become more demanding and time consuming. Addition of funds, writing out individual SA-3's for each receipt, deposits, checks, postings, and a new computer program have consumed my evenings. I feel that the adult education center requires a first time, full time, in house Treasurer to observe procedures, deposit and process the paperwork, have the ability to cross reference incoming monies with class rosters, during the daytime hours. I have resigned my part-time position in order for this to be possible.
- Even though all of the monthly and yearly reports were prepared and distributed to the Director and the Director of Finance it was not noticed that there was a problem. I do feel there was a false sense of security at the adult education center. After the audit many security changes were made, as mentioned in this report. To my knowledge my books are accurate and my procedures were completed to the best of my ability. It is also my believe that the growing needs of the program, cannot be met by a part-time Treasurer.
- I would like to thank your office for all of the time and effort spent on our site.

COMPUTER CLASSES

AMT. DEPOSITED IN BANK:

Class Fees Jan. 05 to June 05	\$1,485.00
Class Fees 05-06	\$4,280.00
Class Fees 06-07	\$2,360.00
Class Fees 07-08	\$1,690.00

Total amount Deposited	\$9,815.00
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AMT RECEIVED ACCORDING TO COMPUTER CLASS ROSTERS SEE LIST	\$10,525.00
-----------------------------------------------------------------	-------------

DIFFERENCE	-\$710.00
------------	-----------

DIPLOMA

AMT. DEPOSITED IN BANK:

Diploma 05-06	\$1,631.00	
Diploma 06-07	\$1,743.00	
Diploma 07-08	\$227.00	
Cap and Gown 05-06	\$1,896.00	
Cap and Gown 06-07	\$2,227.00	
Cap and Gown 07-08	\$99.00	
Tassel 05-06	\$243.00	
Tassel 06-07	\$490.00	
Tassel 07-08	\$21.00	
Mailing 05-06	\$10.00	
Mailing 06-07	\$12.00	
Mailing 07-08	\$0.00	
Total amount Deposited		\$8,599.00

**AMT RECEIVED ACCORDING
TO GRADUATION BOOKS
SEE LIST** **\$8,594.00**

DIFFERENCE \$5.00 (Credit)

SPANISH

AMT. DEPOSITED IN BANK:

Class Fees Jan 05 to June 05	\$930.00
Class Fees 05-06	\$1,225.00
Class Fees 06-07	\$2,575.00
Class Fees 07-08	\$1,100.00

Total amount Deposited	\$5,830.00
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AMT RECEIVED ACCORDING TO SPANISH CLASS ROSTERS SEE LIST	\$6,400.00
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DIFFERENCE	-\$570.00
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Portage Adult Education

Provides Adult Education Services in six counties:
Porter, Starke, Jasper, Newton and parts of Lake and LaPorte

5391 Central Avenue
Portage, Indiana 46368
Phone (219) 762-6113
Fax: (219) 763-2332

LINDA FRIEDRICH
DIRECTOR

PAULA SIMINSKI
ASSISTANT DIRECTOR

February 16, 2006

Chuck Nemeth
State Board of Accounts
302 W. Washington Street
4th Floor, Room E418
Indianapolis, IN 46204-2765

Dear Mr. Nemeth:

Attached are several forms which we would like to use in our program as receipts for various payments which are made. The monies collected through these receipts are deposited into the extra curricular amount for our building. We are the Portage Adult Education Center, a part of the Portage Township Schools.

The first item I've enclosed is a copy of our student registration form. This form is not the official receipt that travels with the payment but we attach it to the receipt. The registration form lists at the bottom the classes for which the student registers and the total amount of the fees.

The second item is the receipt which tracks the student's payment on his fees. These forms have duplicate copies that allow us to give copies to the student and retain copies with the money.

The final item is a receipt which is issued for any other expenses collected by the adult education office.

Please review these forms and let me know if they are approved for use in our program. If you have any questions, feel free to contact me at the above address or phone number or e-mail me at lfriedrich@portage.k12.in.us.

Sincerely,

Linda Friedrich
Director, Portage Adult Education

From: Wanda Lanter
To: Qualkenbush, Sharon
Date: 5/25/06 10:21AM
Subject: Extra Curricular Account for Adult Education

Dear Sharon,

I have heard that there are two new forms for this years accounting procedures. Will these forms pertain to Adult Education? If so would you please let me know about them. Also I need to obtain Bookrental Receipts for Adult Education. The State Board of Accounts would like Adult Education to use these receipts for bookrental. How do I go about getting these receipts issued to me. I will need approximately 1,500 receipts. I do not know how many come in a booklet. Thank you for your help.

February 22, 2008

To Whom It May Concern:

The loose receipts logged below have been turned over to the Director of Finance, Sharon Qualkenbush, by Interim Director Paula Siminski as directed by the State Board of Account Auditors in their report on February 11, 2008.

Other receipts that have been turned in to be destroyed include un-numbered partial payment receipts previously used in conjunction with registrations as well as some old generic (Boyce Forms) SA3's that were found when taking an inventory of our used and unused TBR's.

3925 3926 loose-unused receipts
3928 4028 Still packaged--unused
4029 4128 Still packaged--unused
4129 4228 Still packaged--unused
4229 4328 Still packaged--unused
4329 4428 Still packaged--unused
4429 4499 opened-unused

A.) This gap in sequence represents receipts used during the 2005-07 Audit.

B.) While recording the numbers for these receipts, it is apparent that duplicate receipts were printed in error.

4845 4899 loose-unused receipts	5629 5728 Still packaged--unused
4900 4999 loose-unused receipts	5729 5828 Still packaged--unused
5000 5099 loose-unused receipts	5829 5928 Still packaged--unused
5100 5199 loose-unused receipts	5929 6049 Still packaged--unused
5200 5299 loose-unused receipts	
5300 5399 loose-unused receipts	
5400 5499 loose-unused receipts	
5500 5599 loose-unused receipts	
5600 5628 loose-unused receipts	

4784 4844 used receipts from December 19, 2007 through February 4, 2008

On February 4, 2008 We began using SA3's as our official Receipts

1501 1650	} The following Boyce SA 3 Forms were logged in with the PTS Director and Assistant Director of Finance. Our office will use these forms once the two SA3 books issued by PTS are filled.
1651 1800	
1801 1950	
1951 2100	
2101 2250	

To the best of my knowledge, I have gathered all of the receipts deemed unacceptable by the auditors and have turned them over to Portage Township Schools to be destroyed. A copy of this document will be submitted to the State Board of Accounts as requested by Mr. Melvin Standifer.


Paula Siminski, Interim Director

2-25-08
Date


Sharon Qualkenbush, PTS Director of Finance

2-25-08
Date

ADULT EDUCATION CENTER
 PORTAGE TOWNSHIP SCHOOL CORPORATION
 SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Wanda Lanter, Extra-Curricular Account Treasurer:			
Receipts Not Deposited, pages 4 and 5	\$ 21,912.50	\$ -	\$ 21,912.50
Checks Substituted for Cash, page 5	384.00	-	384.00
Accountable Items Not Deposited, page 6	<u>3,902.90</u>	<u>-</u>	<u>3,902.90</u>
 Totals	 <u>\$ 26,199.40</u>	 <u>\$ -</u>	 <u>\$ 26,199.40</u>

AFFIDAVIT

STATE OF INDIANA)
)
LAKE COUNTY)

We, Barbara A. Williams, Melvin L. Standifer, and Karen A. Tetrauit, Field Examiners, being duly sworn on our oaths, state that the foregoing report based on the official records of the Adult Education Center, Portage Township School Corporation, Porter County, Indiana, for the period from January 1, 2005 to January 17, 2008, is true and correct to the best of our knowledge and belief.

Barbara A. Williams
Melvin L. Standifer
Karen A. Tetrauit
Field Examiners

Subscribed and sworn to before me this 9th day of June, 2008.

Barbara J. Bortoli
Notary Public

My Commission Expires: MAY 19, 2016

County of Residence: LAKE

