

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

AUDIT REPORT

OF

COUNTY PARKS AND RECREATION

WASHINGTON COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

08/26/2008



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Internal Controls .....	4
Petty Cash Fund .....	4
Supporting Documentation .....	4-5
Donations.....	5
Prescribed Forms .....	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Parks and Recreation Manager	Christopher Strange	01-01-07 to 12-31-08
President of the County Parks and Recreation Board	Paul Jolly	01-01-07 to 12-31-08
President of the County Council	John D. Fultz	01-01-07 to 12-31-08
President of the Board of County Commissioners	Lana Sullivan Albert M. Goering Lana Sullivan	01-01-07 to 12-31-07 01-01-08 to 05-07-08 05-08-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

---

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

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

TO: THE OFFICIALS OF WASHINGTON COUNTY

We have audited the records of the County Parks and Recreation for the period from January 1, 2007 to December 31, 2007, 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 Washington County for the year 2007.

STATE BOARD OF ACCOUNTS

July 17, 2008

COUNTY PARKS AND RECREATION  
WASHINGTON COUNTY  
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

The cash register at the gatehouse has the capability to designate between the amount of credit sales and cash sales; however, these controls are not used to reconcile collections. Instances were also noted of missing tickets from sequences of pre-numbered restaurant tickets used to accumulate the daily collections at the park restaurant.

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 Counties of Indiana, Chapter 1)

PETTY CASH FUND

The following deficiencies were noted in the handling of the Petty Cash Fund of the Parks and Recreation Department:

1. The Petty Cash Fund was being used for the following: (a) to purchase supplies for the restaurant, concessions, and camp store; (b) to purchase food from local restaurants to feed inmates that are out on work release from the County Jail to work at the Parks and Recreation Department; (c) to sponsor a youth baseball team for advertising purposes; and (d) to purchase gasoline.
2. Several instances were noted in which petty cash was reimbursed without adequate supporting documentation. Some reimbursements were made from copies instead of the original receipts, and some restaurant receipts were noted as being reimbursed without being sufficiently itemized.
3. One instance was noted in which reimbursement for petty cash expenditures was made without being approved by the County Parks and Recreation Board.

Indiana Code 36-1-8-3 states in part: ". . . (b) The custodian of a petty cash fund shall use it to pay small or emergency items of operating expense. A receipt shall be taken for each expenditure made from the fund. (c) The custodian of a petty cash fund shall periodically file a voucher, with all original receipts totaling the cash claimed expended being attached to it, so that the fund can be reimbursed for expenditures from it. Reimbursement must be approved and made in the same manner as is required for other expenditures of the political subdivision."

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)

SUPPORTING DOCUMENTATION

In a test of claims paid, it was noticed that the County Parks and Recreation Board approved claims in some instances for payment that lacked all required documentation. Some claims were also noted as being approved to be paid from credit card statements and copies of invoices. Some petty cash

COUNTY PARKS AND RECREATION  
WASHINGTON COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

reimbursements were approved which lacked sufficient itemization. Some instances were also noted in which sales tax, penalties, and finance charges were approved to be paid. Due to the lack of supporting itemization, the validity and accountability for some money could not be established.

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)

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)

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

All claims invoices, receipts and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

#### DONATIONS

The Parks and Recreation Department disbursed \$330 from petty cash to sponsor a Southport, Indiana, youth baseball team. Petty cash was reimbursed for this amount on February 28, 2007. The Parks and Recreation Department Manager stated that this disbursement was for advertising in the Southport, Indiana, area. He also stated that the Parks and Recreation Department has started receiving quite a bit of business from this area and this sponsorship would be beneficial to the park.

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

#### PRESCRIBED FORMS

The following prescribed form was not being used:

Form 358, Ledger of Receipts, Disbursements and Balances

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)

COUNTY PARKS AND RECREATION  
WASHINGTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2008, with Christopher Strange, County Parks and Recreation Manager. The official concurred with our audit findings.

The contents of this report were discussed on June 24, 2008, with Paul Jolly, President of the County Parks and Recreation Board. The official concurred with our audit findings.

The contents of this report were discussed on July 17, 2008, with Lana Sullivan, President of the Board of County Commissioners; and John D. Fultz, President of the County Council.