

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

AUDIT REPORT
OF
HEALTH DEPARTMENT
MONTGOMERY COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
09/18/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Health Officer	Dr. Carl Howland	01-01-07 to 12-31-08
President of the County Council	Don Peterson James D. Fulwider	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	William McCormick Harry A. Siamas	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MONTGOMERY COUNTY

We have audited the records of the Health Department 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 Montgomery County for the year 2007.

STATE BOARD OF ACCOUNTS

August 12, 2008

HEALTH DEPARTMENT
MONTGOMERY COUNTY
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping were present during our period of audit:

- (1) Record balances were not reconciled to depository balances during the one year period.

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."

- (2) The unit did not use a ledger (Ledger of Receipt, Disbursement & Balance Form 358), duplicate receipts (General Form 352) or duplicate checks (General Form 356).

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)

- (3) The financial institution did not return the actual cancelled check or actual deposit slip with the monthly statement or provide an optical image.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part: "original records" includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
(2) the drawer of the check receives an optical image of the check after the check is processed for payment . . . "

Further, Indiana Code 26-2-8-111(a) and (e) state in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
(2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a).

- (5) Any additional information required under IC 5-1.5-2-2.5."

DEPOSITS

Health Department deposits were not made daily. The bookkeeper stated that deposits were made weekly, but examiners noted several instances in which deposits were made as many as 20 days after the original receipt.

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. . . ."

HEALTH DEPARTMENT
MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2008, with Shari Harrington, Sanitarian/Administrator; James D. Fulwider, President of the County Council; Harry A. Siamas, President of the Board of County Commissioners; and Michelle R. Cash, Auditor. The officials concurred with our audit findings.