

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

AUDIT REPORT
OF
COUNTY DEPARTMENT OF AVIATION
CLAY COUNTY, INDIANA
January 1, 2007 to December 31, 2007



FILED
09/24/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Manager	Jack Thomas	01-01-07 to 12-31-08
Treasurer	Jordan Brown (Vacant)	01-01-07 to 05-07-07 05-08-07 to 12-31-08
President of the Aviation Board	Michael Knust	01-01-07 to 12-31-08
President of the County Council	Mike McCullough	01-01-07 to 12-31-08
President of the Board of County Commissioners	Charles Brown	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CLAY COUNTY

We have audited the records of the County Department of Aviation 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 Clay County for the year 2007.

STATE BOARD OF ACCOUNTS

August 7, 2008

COUNTY DEPARTMENT OF AVIATION
CLAY COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

As noted in the prior Report B29973, depository reconciliations of the fund balances to the bank account balances were not presented for audit.

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."

BOARD MINUTES

As noted in the prior Report B29973, the minutes of the Aviation Board were incomplete.

The actions of the Board were not clear as the record of votes taken by individual Board members was undocumented; the general substance of all matters proposed, discussed, or decided was inferred or not fully disclosed; and the minutes were not signed by Board members.

Indiana Code 5-14-1.5-4(b) states in part:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

TIMELY RECORDKEEPING

Financial records presented for audit were incomplete and not reflective of the activity of the Aviation Department. A ledger of receipts, disbursements, and balances and some monthly bank statements were not presented for audit. Meeting minutes were incomplete. The Board's Treasurer resigned his position as Treasurer but not his seat on the Board. The Treasurer position has been vacant since May 7, 2007. We were not able to contact the Aviation Board President for information regarding the Board's management and documentation needed for audit.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with Indiana Code 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY DEPARTMENT OF AVIATION
CLAY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2008, with Michael Knust, President of the Aviation Board. The official concurred with our audit findings.