

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

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



**FILED**  
10/28/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Health Officer	Dr. Jose Lopez	01-01-07 to 12-31-08
President of the Board of Health	Dr. William McDonald	01-01-07 to 12-31-08
President of the County Council	Greg A. Farlow Alan Waynick	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	James L. Springer Donald R. Crocket	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 ORANGE COUNTY

We have audited the records of the County 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 Orange County for the year 2007.

STATE BOARD OF ACCOUNTS

October 7, 2008

COUNTY HEALTH DEPARTMENT  
ORANGE COUNTY  
AUDIT RESULTS AND COMMENTS

RECORD INFORMATION

The following deficiencies were noted during the review of the Health Department records:

1. Receipts and disbursements were not always posted properly in the Ledger of Receipts, Disbursements and Balances, Form 358. A comparison of the Health Department's ledger to the County Auditor's ledger found that not all receipts and disbursements were being posted to the Health Department records.
2. Monthly cash reconcilements with the County Auditor's ledger were not made nor could they be made due to the lack of proper posting outlined above. Monthly reconcilements were not completed in order to establish a reconciled balance with the County Auditor's records. As a result of the above failure to post receipts and disbursements to the Health Departments ledger, no accurate verification can be made as to the County Auditor's balance for the Health Department.

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)

RECEIPT ISSUANCE

Health Department collections are submitted to the County Auditor each week. These collections were tested for two months. On three occasions, the Health Department receipts did not agree with the amounts submitted to the County Auditor on the report of collections. On one occasion, the receipts totaled five dollars more than what was submitted to the County Auditor. On one occasion the collections submitted to the County Auditor were five dollars more than receipts and on another occasion the collections were ten dollars more than the receipts.

Health Department funds were not remitted to the County Auditor in the same form in which they were received. On two of the eight weekly remittances examined, the form of funds received at the County Auditor's office did not agree with Health Department receipts.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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."

COUNTY HEALTH DEPARTMENT  
ORANGE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 11, 2008, with Sharon Dooley, Health Department Bookkeeper.

The contents of this report were discussed on October 3, 2008, with Dr. William McDonald, President of the Health Board.

The contents of this report were discussed on October 7, 2008, with Dr. Jose Lopez, Health Officer; Donald R. Crockett, President of the Board of County Commissioners; and Alan Waynick, President of the County Council.