

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

EXAMINATION REPORT
OF

CLARK COUNTY SOIL AND WATER
CONSERVATION DISTRICT
CLARK COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
01/20/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Examination Results and Comments:	
Receipt Issuance	6
Errors on Claims	6-7
Prescribed Forms	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tami S. Kruer	01-01-06 to 12-31-08
President of the Board	Sam Hagest	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CLARK COUNTY SOIL AND WATER
CONSERVATION DISTRICT, CLARK COUNTY, INDIANA

We have examined the financial information presented herein of the Clark County Soil and Water Conservation District (District), for the period of January 1, 2006 to December 31, 2007. The District's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the District for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

January 9, 2009

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
General	<u>\$ 60,002</u>	<u>\$ 77,937</u>	<u>\$ 59,371</u>	<u>\$ 78,568</u>
	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
General	<u>\$ 78,568</u>	<u>\$ 127,669</u>	<u>\$ 109,389</u>	<u>\$ 96,848</u>

The accompanying notes are an integral part of the financial information.

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The District was established under the laws of the State of Indiana. The District provides soil and water conservation services.

Note 2. Fund Accounting

The District uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

The following deficiencies were noted in the procedures to account for monies received:

- (1) Receipts were not issued to each individual from whom money was received. Instead of showing the name of the individual from whom the money was received, the receipt was issued to "customers" and one receipt was used to account from monies received from more than one individual.
- (2) The receipts issued were not issued at the time the money was received. Numerous instances were noted in which the date funds were deposited was prior to the date the receipts were issued indicating receipts were being issued after the fact in order to agree with the deposits made.
- (3) Receipts were voided without the original receipt copy being retained or notations indicating the reason the receipt was voided.

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 Special Districts, Chapter 10)

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 managements' 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.

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 Special Districts, Chapter 10)

ERRORS ON CLAIMS

The following deficiencies were noted on claims examined during the audit period:

- (1) Thirty-six percent of claims examined were not adequately itemized and/or supported including two claims which were paid based solely on credit card statements.

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXAMINATION RESULTS AND COMMENTS
(Continued)

(2) The person receiving the goods or services did not verify delivery on any of the claims examined.

(3) None of the claims examined had certification by the fiscal officer that the invoice or bill was true and correct.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

A similar comment was made in prior Report 27357.

PRESCRIBED FORMS

General Form 101, Mileage Claim, was not properly completed by employees filing for mileage reimbursement. The mileage claim form did not indicate the actual locations from which employees were traveling to and from.

Accounts Payable Voucher, Form 17, was used to document payroll expenditures instead of the prescribed Form 99, Payroll Schedule and Voucher.

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 Special Districts, Chapter 10)

CLARK COUNTY SOIL AND WATER CONSERVATION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on January 9, 2009, with Tami S. Kruer, Treasurer; and Melanie Davis, Administrative Coordinator.