

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

AUDIT REPORT
OF
PARK AND RECREATION DEPARTMENT
LAKE COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED

01/07/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Park Comptroller	Karen Dowler	01-01-09 to 12-31-10
Chief Executive Officer and Secretary to the Board	Robert J. Nickovich	01-01-09 to 12-31-10
President of the Park Board	Christopher Morrow Christopher Dilts	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the County Council	Larry Blanchard Thomas O'Donnell	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the Board of County Commissioners	Roosevelt Allen, Jr. Frances DuPey	01-01-09 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the Park and Recreation Department for the period from January 1, 2009 to December 31, 2009, 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 Lake County for the year 2009.

STATE BOARD OF ACCOUNTS

August 12, 2009

PARK AND RECREATION DEPARTMENT
LAKE COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER PETTY CASH AND ATM

The Park Department has a petty cash checking account for liquor purchases, at their banquet facilities, which need to be paid at the time of delivery. Invoices paid from this checking account are then remitted to the County for reimbursement. We noted two transactions on March 24, 2009 and October 28, 2009, out of this checking account, that had not been submitted for reimbursement by December 31, 2009. The Park Department did not have an effective system in place to ensure that all disbursements were submitted for reimbursement and that errors were detected in a timely manner.

This checking account is also used as a cash change fund to refill the ATM (Automatic Teller Machine) at the water park. When management refills the ATM, a report is generated from the ATM showing the "Cash in box after last load", "Cash Dispensed" and "Current Balance". However, the "Current Balance" of cash is not routinely counted every time and verified when it's refilled. The ATM was counted and balanced on September 8, 2009. No problems were noted at that time.

At December 31, 2009, the total balance of this "petty cash" fund was not reconciled to the established balance. The fund was established in May 2005 for \$30,000. In 2005, the County did not reimburse \$3,648.66 for the purchase of the liquor license, because the State included penalty and interest in the cost of the license. This brings the adjusted established balance to \$26,351.34. The balance in the records at December 31, 2009, was \$26,601.57, for a difference of \$250.25.

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 management's 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. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

DEPOSITS - LAKE ETTA

As stated in the prior year's Audit Reports, receipts at Lake Etta are consistently held seven days before being deposited in the bank.

IC 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. . . ."

PARK AND RECREATION DEPARTMENT
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

DISCOUNTS WITHOUT BOARD APPROVAL - TURKEY CREEK

During a review of banquet contracts we noted that the park superintendant gave a \$1,320 discount to a non-profit organization for a banquet. The discount was not approved or presented to the Park Board.

Officials indicated that the Park Board had reaffirmed the promotions and discounts policy on June 10, 2010. The policy reads:

"The Park Board recognizes that it is often necessary to modify rental/group rates, program fees, and product prices in order to promote facilities and generate appropriate revenues. The timing of such changes is often of an immediate nature. Therefore, the Lake County Parks and Recreation Board authorizes the CEO or his designee(s) to set or alter rates and product prices and develop coupon and promotion/marketing programs when necessary to secure and promote sales and attendance. Staff will keep the Board apprised of these modifications."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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)

PARK AND RECREATION DEPARTMENT
LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2010, with Christopher Dilts, President of the Park Board; Robert J. Nickovich, Chief Executive Officer and Secretary to the Board; Larry Klein, Chief Executive Officer; and Karen Dowler, Park Comptroller.