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

AUDIT REPORT

OF

PARK AND RECREATION DEPARTMENT

CITY OF SOUTH BEND, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
07/18/2012



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CITY OFFICIALS

| <u>Office</u>                                 | <u>Official</u>                        | <u>Term</u>                                  |
|---|--|--|
| Director of Parks and Recreation              | Phil St. Clair                         | 01-01-11 to 12-31-12                         |
| Director of Financial Services                | Bill Carleton                          | 01-01-11 to 12-31-12                         |
| City Controller                               | Gregg D. Zientara<br>Mark Neal         | 08-17-09 to 12-31-11<br>01-01-12 to 12-31-15 |
| Mayor   | Stephen J. Luecke<br>Pete M. Buttigieg | 01-01-08 to 12-31-11<br>01-01-12 to 12-31-15 |
| President of the Park and<br>Recreation Board | Robert Henry                           | 01-01-11 to 12-31-12                         |
| President of the<br>Common Council            | Derek D. Dieter                        | 01-01-11 to 12-31-12                         |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF SOUTH BEND PARK AND RECREATION DEPARTMENT:

We have audited the records of the Park and Recreation Department for the period from January 1, 2011 to December 31, 2011, 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 City of South Bend for the year 2011.

STATE BOARD OF ACCOUNTS

May 30, 2012

PARK AND RECREATION DEPARTMENT  
CITY OF SOUTH BEND  
AUDIT RESULTS AND COMMENTS

***DEPOSITS***

We tested receipts and deposits for Bellville Park Concessions for two weeks in August 2011. Receipts for August 17, 18, 21, and 22 (\$968.89), were deposited on Wednesday, August 24. Receipts collected on August 23, 24, 25, and 28 (\$706.53), were deposited on Tuesday, August 30.

Indiana Code 5-13-6-1(d) states:

"A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

***INTERNAL CONTROLS***

Controls for receipts generated by the Park and Recreation Department are insufficient in that receipt reports are not reviewed to determine if funds received in cash agree with amounts deposited as cash. Our test found several instances where amounts received in cash per cash register tapes, were not the same as the amounts deposited in cash, although the total receipts agreed with the deposits on the daily receipt reports. We discussed this with officials at the Park Department office. They indicated that they would review receipt reports to verify matching of cash receipts and cash deposits in the future.

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. Public funds deposited should be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PARK AND RECREATION DEPARTMENT  
CITY OF SOUTH BEND COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 1, 2012, with Phil St. Clair, Director of Parks and Recreation, Bill Carleton; Director of Financial Services, and Robert A. Henry, President of the Park and Recreation Board.

The contents of this report were also discussed on May 30, 2012, with Pete M. Buttigieg, Mayor; Mark Neal, City Controller; and with Oliver Davis, Vice President of the Common Council. The Official Response has been made a part of this report and may be found on page 6.



Pete Buttigieg, Mayor

**SOUTH BEND**  
**PARKS & RECREATION**  
**DEPARTMENT**

Executive Director  
Phillip L. St. Clair

3/20/12

Mr. David Shearer  
State Board of Accounts  
227 W. Jefferson Blvd.  
South Bend, IN 46601

Mr. Shearer:

In response to the State Board's Audit Results and Comments that were discussed at the exit conference on March 1, 2012, the Belleville Softball Complex staff has been instructed to make daily deposits in accordance with State and Park Department policy. Park financial staff has put in place controls to be alerted to deposits that are not made on a daily basis and investigate any discrepancy. Park Police have been instructed to schedule daily pick ups of receipts.

The second item regarding reconciling of receipt reports to determine if funds received in cash agree with deposits was corrected. The importance of reported cash, checks and credit card being reconciled with the bank deposit was reemphasized. This was an isolated occurrence.

Sincerely,

Bill Carleton  
Director of Finance  
South Bend Parks and Recreation

