

B40670

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

AUDIT REPORT

OF

NEW CASTLE UTILITY OFFICE

HENRY COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
08/01/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice L. Lavarney Christy York	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Mayor	James Small Greg York	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Office Manager	Cary Plummer Janice Burns	01-01-11 to 12-18-11 12-19-11 to 12-31-12
President of the Common Council	Sandra York Mark Koger	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of Public Works and Safety	James Small Greg York	01-01-08 to 12-31-11 01-01-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF NEW CASTLE, HENRY COUNTY, INDIANA

We have audited the records of the New Castle Utility Office 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 the City Of New Castle for the year 2011.

STATE BOARD OF ACCOUNTS

May 17, 2012

NEW CASTLE UTILITY OFFICE
HENRY COUNTY
AUDIT RESULTS AND COMMENTS

COLLECTIONS NOT DEPOSITED

During the period beginning October 5, 2011 and ending November 16, 2011 there were 22 instances of cash payments totaling \$1,219.20 received from customers that were not deposited in the bank or posted to the customer's accounts in the normal course of business. A review of these transactions showed the following:

1. Ten (10) of the customers involved identified Joe Bertram, a cashier at the New Castle Utility Office, from June 1, 2011 to February 5, 2012, as the person who took their payment.
2. All 22 accounts had to be adjusted because the customers had paid receipts in their possession and presented them to the Utility; and
3. Four of the paid receipts provided by customers contained Joe Bertram's initials indicating he had received the cash payment.

Based on the above information, the Field Supervisor of District 9 contacted the Indiana State Police on March 20, 2012. The assigned Indiana State Police Officer came to the City on April 16, 2012, and met with the assigned Field Examiner and the Clerk-Treasurer, Christy York. After reviewing the documentation of the transactions described above the officer decided to interview Joe Bertram.

During the interview with the Indiana State Police officer, Joe Bertram, admitted he had taken the cash payments. We are requesting Joe Bertram, refund to the City \$1,219.20. (See Summary, page 6)

On April 20, 2012 Joe Bertram receipted to the New Castle Utilities, \$1,219.20, Receipt 11199.

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 town; and (2) approved as depositories of state funds."

AUDIT COSTS – MISSING FUNDS

Additional fees were incurred in the investigation of missing funds.

Audit costs incurred because of theft or shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Manual for Cities and Towns, Chapter 7)

NEW CASTLE UTILITY OFFICE
HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2012, by telephone, with Joe Bertram, former Cashier.

The contents of this report were also discussed on June 25, 2012, with Greg York, Mayor, and Christy York, Clerk-Treasurer.

NEW CASTLE UTILITY OFFICE
HENRY COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Joe Bertram, former Cashier:			
Collections Not Deposited, page 4	\$ 1,219.20	\$	\$
Repaid by Joe Bertram, April 20, 2012,			
Receipt 11199	<u> </u>	<u>1,219.20</u>	<u> </u> -
Totals	<u>\$ 1,219.20</u>	<u>\$ 1,219.20</u>	<u>\$ </u> -