

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

AUDIT REPORT

OF

PARK DEPARTMENT RENTALS

CITY OF WINCHESTER, INDIANA

January 1, 2011 to June 12, 2012



FILED
09/06/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Vicki Haney	01-01-10 to 12-31-15
Mayor	Steven Croyle	01-01-10 to 12-31-15
President of the Common Council	Todd Schroeder	01-01-11 to 12-31-12



STATE OF INDIANA
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TO: THE OFFICIALS OF THE CITY OF WINCHESTER, INDIANA

We have audited the records of the Park Department Rentals for the period from January 1, 2011 to June 30, 2012, 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 Winchester County for the period January 1, 2011 to December 31, 2011.

STATE BOARD OF ACCOUNTS

June 20, 2012

PARK DEPARTMENT RENTALS
CITY OF WINCHESTER
AUDIT RESULTS AND COMMENTS

MALFEASANCE, MISFEASANCE, OR NONFEASANCE

A review of receipts for the Rental of the Beeson Building and Shelters in the Parks Department revealed that not all money collected was remitted to the Clerk-Treasurer. All receipts written for the period January 1, 2011 to June 12, 2012 were examined. The money for the rentals is collected in the Mayor's office. The Mayor's secretary, Gail Croyle, is responsible for collecting the money and remitting the funds to the Clerk-Treasurer. For 2011, 17 receipts with a total of \$1,285 could not be traced to a remittance in the Clerk-Treasurer's office. In 2012, 5 receipts with a total of \$380 were written, without remittance to the Clerk-Treasurer. A total of \$1,665 was collected and not remitted to the Clerk-Treasurer. Mrs. Croyle subsequently repaid the City for the missing funds. (See Summary of Charges, page 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEPOSITS

Receipts for the shelter and building rental for the park are collected in the Mayor's office. The Mayor's secretary is responsible for collecting the receipts and remitting the money to the Clerk-Treasurer. Receipts for the Park Department were not remitted to the Clerk's office for deposit in a timely manner. Nine of the twenty remittances tested were not remitted within three days. In addition to receipts not being remitted timely, two of the twenty receipts tested were not remitted intact. The amounts listed as cash and check from the receipts did not agree with the cash and check amounts in the deposit.

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."

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

PARK DEPARTMENT RENTALS
CITY OF WINCHESTER
AUDIT RESULTS AND COMMENTS
(Continued)

ORDINANCES AND RESOLUTIONS

The City has an ordinance concerning the rental of the Beeson Building and Shelter as the Park. However, the City did not follow the ordinance with all people who rented the building or a shelter. Fifteen rentals were noted where the person was either not charged for renting the building or shelter. The City was not able to provide documentation showing that the Park Board had approved the usage at no charge, or documentation to show that the person has withdrawn their request for the rental.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

INTERNAL CONTROLS - PARK

Controls over the receipting, disbursing, recording, and accounting for the financial activities for park rentals were insufficient. For park rentals, citizens are to come to the Mayor's office and pay for the rental. Gail Croyle, the Mayor's secretary collects the money for the rentals and remits the money to the Clerk-Treasurer. The money is kept in the desk drawer with the receipt book. The funds were being remitted to the Clerk-Treasurer no more than three times per month. Controls to assure that all money being collected was remitted to the Clerk-Treasurer were not being followed. Funds were not being remitted to the Clerk-Treasurer daily as they should have been. Money on hand was not kept in a secure location.

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 Cities and Towns, Chapter 7)

PARK DEPARTMENT RENTALS
CITY OF WINCHESTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2012, with Gail Croyle, Mayor's Secretary. The contents of this report were also discussed on July 3, 2012, with Vicki Haney, Clerk-Treasurer, Steven Croyle, Mayor; and Todd Schroeder, President of the Common Council.

PARK DEPARTMENT RENTALS
CITY OF WINCHESTER
SUMMARY OF CHARGES

	Charges	Credits	Balance Due
Gail Croyle, Mayor's Secretary: Malfeasance, Misfeasance, or Nonfeasance, page 4	\$ 1,665	\$	\$
Repaid	-	1,665	-
Totals	\$ 1,665.00	\$ 1,665.00	\$ -

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.