

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

AUDIT REPORT
OF
COUNTY HEALTH DEPARTMENT
LAKE COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
09/21/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Health Commissioner	Dr. Susan Best	01-01-11 to 12-31-14
President of the County Council	Ted F. Bilski Jerome A. Prince	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	Roosevelt Allen, Jr. Gerry J. Scheub	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the County Health 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Lake County for the year 2011.

STATE BOARD OF ACCOUNTS

May 15, 2012

COUNTY HEALTH DEPARTMENT
LAKE COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Death Certificates

Information to prepare a death certificate is retained in one of three ways: electronically through the State's database, on microfilm, or through paper records maintained at the health department. Death certificates are not issued on prenumbered forms; they are duplicate copies or re-prints of the original information. The duplicate copies or re-prints are manually stamped with the Health Department's seal for authenticity.

Each clerk in the Lake County Health Department is responsible for researching and preparing death certificates. The same clerk who prepares the death certificates also collects the fee and issues the receipt. Because the death certificates are not pre-numbered forms, there is not adequate accountability for the number issued or for the collection of the fee.

Receipts

1. Receipts issued did not always adequately indicate composition (cash or check).
2. Health Department officials require check numbers to be included on receipts, when payment is made by check; however, check numbers were not always clearly noted on the receipts.
3. Receipts forms are in duplicate. The original is issued to the patron and the carbon copy is retained in the receipt book. There were instances where the carbon copy was altered. Such alterations included changing the number of items purchased, the amount received and the method of payment (cash or check).

Reports of Collections

Each clerk is responsible for preparing an individual report of collections each day. These reports indicate the dollar amounts for all fees collected and the amount to be recorded to each fund. The reports indicate the receipt numbers that correspond to the remittances. The individual reports are subsequently combined into one official report of collections which is submitted to the County Auditor's office. An adding machine tape is attached to the official report of collections which indicates the checks remitted separately from the cash. A copy of the official report of collections and the official receipt from the County Auditor is retained by the Health Department

The individual reports of collections do not always include the composition of the collections. In addition, in some instances, the receipts numbers noted are incorrect. The official reports of collections are prepared by clerks who are also responsible for collecting fees and issuing receipts. The combined report of collections is not prepared, reviewed or verified by the Administrator or Deputy Administrator, neither of whom participates in the receipt and collection process.

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.

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 Counties of Indiana, Chapter 1)

COUNTY HEALTH DEPARTMENT
LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 15, 2012, with Dr. Susan Best, Health Commissioner; Nicholas Doffin, Administrator; and Sandra Smoljan, Deputy Administrator.