

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

AUDIT REPORT
OF
REDEVELOPMENT COMMISSION
PARKE COUNTY, INDIANA
January 1, 2012 to December 31, 2012



FILED
06/25/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James R. Bosley Tom Stambaugh	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the Redevelopment Commission	George Nicholas Greg A. Harbison	01-01-12 to 12-31-12 01-01-13 to 12-31-13
President of the County Council	James A. Rahn	01-01-12 to 12-31-13
President of the Board of County Commissioners	George Nicholas Jim Meece	01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
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TO: THE OFFICIALS OF PARKE COUNTY

We have audited the records of the Redevelopment Commission for the period from January 1, 2012 to December 31, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Parke County for the year 2012.

STATE BOARD OF ACCOUNTS

April 23, 2013

REDEVELOPMENT COMMISSION
PARKE COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the Redevelopment Commission related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Redevelopment Commission to reduce risks to the achievement of financial reporting objectives. The Redevelopment Commission has not separated incompatible activities related to receipts, disbursements, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

REDEVELOPMENT COMMISSION
PARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2013, with Greg A. Harbison, President of the Redevelopment Commission; James R. Bosley, Treasurer of the Redevelopment Commission; John K. Pratt, Vice President of the County Council; James A. Rahn, President of the County Council; and Pam Adams, County Auditor. The officials concurred with our audit finding.