

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

AUDIT REPORT

OF

COUNTY FAIR BOARD

DELAWARE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
09/18/2013

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COUNTY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|-------------------------------|--|
| President of the Fair Board | James Mansfield | 01-01-12 to 12-31-13 |
| Treasurer of the Fair Board | John Dorer Donna Patterson | 01-01-12 to 01-14-13 01-15-13 to 12-31-13 |
| President of the County Council | James King Kevin Nemyer | 01-01-12 to 12-31-12 01-01-13 to 12-31-13 |
| President of the Board of County Commissioners | Todd Donati Larry Bledsoe | 01-01-12 to 12-31-12 01-01-13 to 12-31-13 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the County Fair Board 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 Results and Comments. The financial transactions of this office are reflected in the Annual Report of Delaware County for the year 2012.

STATE BOARD OF ACCOUNTS

August 19, 2013

COUNTY FAIR BOARD
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS

CONTRACTS

Payments totaling \$91,867 were made to the Delaware County Exposition Center, Inc., for the reimbursement of employee salaries in 2012. Payments totaling \$4,600 were made to Clevenger Accounting for work performed to prepare payroll for the Delaware County Exposition Center, Inc. Contracts for these services were not presented for audit.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. Some claims are paid by the Delaware County Expo Center, Inc., and then a claim is submitted to Delaware County for reimbursement of these expenses. When the reimbursements are submitted to the County, they often do not include invoices or other supporting documentation. This allowed claims totaling more than \$14,236 to be paid without adequate documentation to determine if these were expenditures of the County. Money received for fair events were not receipted to the records in 2012. The person collecting the money is not a County employee and may not be covered under the County's employee dishonesty policy. The bank statements are sent to the accountant for the Delaware County Exposition Center, Inc., and are not reviewed by a Fair Board member.

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 County of Indiana, Chapter 1)

CASH DISBURSEMENTS

We tested the Fair Board's department collections remitted to the fiscal officer. We determined that \$35,715 was not remitted because cash was used to make payments to vendors and awards for grandstand events.

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY FAIR BOARD
DELAWARE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

BREAK-INS, BURGLARIES, OR OTHER CRIMES

Officials have stated that a safe at the fair office was burglarized on July 15, 2012. Due to this situation, a total of \$4,500 was not deposited into the County's bank account nor posted to their records. The County did properly file an official police report concerning the crime. However, the County did not contact the State Board of Accounts to inform them of the crime and did not file a claim with the insurance company for almost a year.

Break-ins, burglaries or other crimes committed against the governmental unit should be documented by the filing of an official police report. Insurance companies should be contacted to request payment for any allowable coverage. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-11-1-27 requires that governmental units report immediately to the State Board of Accounts all "erroneous or irregular variances, losses, shortages or thefts of local government funds or property."

RECEIPT ISSUANCE FAIRGROUNDS

We conducted a test designed to verify that receipts issued were properly recorded to the County's records at the time the transactions occurred. Our test of this procedure found that while cash collections were posted to the records, no receipts for special events had been issued.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

FEES - FAIRGROUNDS

Fees collected for camping, building rental, and storage at the fairgrounds have not been approved by the County Commissioners.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY FAIR BOARD
DELAWARE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 15, 2013, with Donna Patterson, Treasurer of the Fair Board; and on August 19, 2013, with Larry Bledsoe, President of the Board of County Commissioners; Judy Rust, Auditor; and Patty Lackey, Executive Assistant. The officials concurred with our audit findings.