

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

REVIEW REPORT
OF
INDIANA HORSE RACING COMMISSION
STATE OF INDIANA
October 1, 2010 to December 31, 2013



FILED
07/18/2014

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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Joseph Gorajec	07-01-10 to 06-30-14
Chairman of the Commission	Sarah McNaught William Diener	04-01-05 to 07-01-12 07-02-12 to 06-30-16



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA HORSE RACING COMMISSION

We have reviewed the activities related to the receipts, disbursements, and assets of the Indiana Horse Racing Commission for the period of October 1, 2010 to December 31, 2013. The Indiana Horse Racing Commission's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the activities related to the receipts, disbursements, and assets of the Indiana Horse Racing Commission are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, and applicable laws and regulations (except as stated in the review comments).

The Indiana Horse Racing Commission's response to the Review Comment identified in our review is described in the accompanying section of the report entitled Official Response. We did not review the Indiana Horse Racing Commission's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Indiana Horse Racing Commission's management, the commissioners, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the Indiana State Board of Accounts and of the office reviewed.

STATE BOARD OF ACCOUNTS

June 10, 2014

INDIANA HORSE RACING COMMISSION
REVIEW COMMENT
December 31, 2013

FIXED ASSET INVENTORY

The fixed asset inventory of the Horse Racing Commission is not completely accurate; a cursory review of assets identified a vehicle that had been disposed, but was still listed as an active asset for the Horse Racing Commission in ENCOMPASS Asset Management. Additionally, an annual physical inventory of assets owned has not been conducted since March 2012.

Agency personnel are responsible for accountability for all assets under their control, including capital assets. Adequate asset management staff should be assigned to recording and maintaining, on the ENCOMPASS financial system, all capital assets with a cost of \$500 or more. Assets are automatically capitalized upon approval by either the BU approver or AOS approver. Controls should be in effect to assure that additions, disposals, and transfers to other departments or agencies are recorded timely. Inventories of these assets should be performed each year in each department and compared to the ENCOMPASS listing. Results of inventories should be retained for audit purposes. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 8.3)

INDIANA HORSE RACING COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on June 12, 2014, with Wendi Samuelson-Dull, Controller. The Official Response has been made a part of this report and may be found on page 6.




State of Indiana Indiana Horse Racing Commission

Michael R. Pence, Governor

www.in.gov/hrc

TO: Paul Joyce, State Examiner
State Board of Accounts

FROM:  Joe Gorajec
Executive Director

DATE: June 20, 2014

RE: Official Response to Audit Results and Comments for the
Period 10/01/2010 to 12/31/2013

In response to the audit exit conference held on June 12, 2014, the Indiana Horse Racing Commission (IHRC) staff would like to present the following information:

1) FIXED ASSET INVENTORY

The Commission staff concurs with this finding. The IHRC Controller will continue to make every effort to ensure that correct procedures are followed and an audit of the agency's fixed assets is conducted on a yearly basis.