



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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October 12, 2006

Honorable Brian C. Bosma, Speaker of the House
Indiana House of Representatives
Room 3-7, State House
Indianapolis, Indiana 46204

Dear Representative Bosma:

As a result of our recent review of the House of Representatives for the period July 1, 2003 to June 30, 2006, the Indiana State Board of Accounts makes the following comments:

- (1) We observed employee attendance reports that were signed and dated by employees prior to the last day worked.

Since the employee attendance report represents a claim of public funds, it should always be signed and dated by the employee and approved by the supervisor, but not prior to the last day worked in the pay period.

- (2) The Special Disbursing Officer Fund (SDO) does not reconcile to the amount advanced. At the time of our review, the fund was \$186.23 less than the amount needed to balance to the advance. This difference is in the process of being resolved with the Auditor of State.

At all times, the unreimbursed disbursements plus any advances to office cash or subsidiary checking accounts plus the SDO checking account balance must equal the local purchase advance. The Special Disbursing Officer is accountable at all times for all sums advanced. The SDO officer may be held personally responsible for the amount needed to balance the fund.

Proper internal controls over the SDO fund require two monthly reconciliations be performed for the SDO fund. The bank statement for the checking account must be reconciled to the check register. Also, the check register must be balanced to the total SDO advance. These reconciliations must be formally documented.

- (3) The House of Representatives did not consistently deposit receipts within the following business day.

Indiana Code 5-13-6-1(b) states in part: "... all public funds ... shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

If you would like to discuss any of these items, please do not hesitate to contact me at (317) 232-2524.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce A. Hartman".

Bruce A. Hartman, CPA
State Examiner