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

EXAMINATION REPORT
OF

SCHOOL CORPORATION TREASURER
BROWN COUNTY SCHOOLS,
BROWN COUNTY, INDIANA

JULY 1, 2004 TO SEPTEMBER 1, 2006

FILED
09/28/2007

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SCHOOL CORPORATION OFFICIALS

Office	Official	Term
Treasurer	Shirley Travelstead	07-01-04 to 07-16-04
	Amanda Harvey (Zurwell)	07-17-04 to 09-01-06
	Carol S. Owens (Interim)	10-16-06 to 05-16-07
	Carol S. Owens	05-17-07 to 06-30-08
Superintendent of Schools	D. Lynn Reed	07-01-04 to 06-30-07
	David Shaffer	07-01-07 to 06-30-10
President of the School Board	Martin Travelstead	07-01-04 to 06-30-05
	Janice Cassiday	07-01-05 to 06-30-06
	Teresa Waltman	07-01-06 to 06-30-07
	Zac Gredy	07-01-07 to 08-02-07
	Teresa Waltman	08-03-07 to 06-30-08

STATE OF INDIANA

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TO: THE OFFICIALS OF BROWN COUNTY SCHOOLS, BROWN COUNTY

We have examined the records of Brown County Schools for the period from July 1, 2004 to June 30, 2006, 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 Audit Report of Brown County Schools for the years 2004 to 2006.

STATE BOARD OF ACCOUNTS

June 13, 2007

SCHOOL CORPORATION TREASURER
BROWN COUNTY SCHOOLS
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

The controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient.

Receipts were not issued upon the receiving of money. An insurance check dated March 14, 2006, in the amount of $3,132 for the partial payment of a cancelled trip to Australia for the Superintendent was not receipted. As a result, there was no record of the check being received by the School Corporation. School Corporation Officials on December 21, 2006, researched their records, contacted the local bank, and eventually determined that the former School Corporation Treasurer, Amanda Harvey (Zurwell) had deposited the check into her personal bank account.

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 Indiana Public School Corporations, Chapter 9)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Amanda Harvey (Zurwell) issued a check in the amount of $3,110 to the Brown County Schools on February 1, 2007. Additionally, on August 24, 2007, Amanda Harvey (Zurwell) issued a check in the amount of $22 to Brown County Schools.

OFFICIAL BOND

Liberty Mutual Insurance Company official bond coverage for Amanda Harvey (Zurwell) in the amount $100,000 as Treasurer for the term beginning July 1, 2005 and ending July 1, 2006; $100,000 as Treasurer for the term beginning July 1, 2006 and ending July 1, 2007.

SCHOOL CORPORATION TREASURER
BROWN COUNTY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on July 30, 2007, with D. Lynn Reed, former Superintendent of Schools; David Shaffer, Superintendent of Schools; Carol S. Owens, Treasurer; and Teresa Waltman, School Board Vice-President. The officials concurred with our examination findings.

SCHOOL CORPORATION TREASURER
BROWN COUNTY SCHOOLS, BROWN COUNTY
SUMMARY

	Charges	Credits	Balance Due
Amanda Harvey (Zurwell), former Treasurer:			
Internal Controls, page 4	$ 3,132	$	$
Paid by Amanda Harvey (Zurwell):			
February 1, 2007, Receipt 6586		3,110	
August 24, 2007, Receipt 7353		22	-
Totals	$ 3,132	$ 3,132	$ -