

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

AUDIT REPORT

OF

FLEET MAINTENANCE

CITY OF BLOOMINGTON

MONROE COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED
10/30/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Susan Clark	01-01-06 to 12-31-07
Mayor	Mark Kruzan	01-01-06 to 12-31-07
President of the Board of Public Works	Beth Hollingsworth	01-01-06 to 12-31-07
President of the Common Council	Chris Sturbaum Dave Rollo	01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE CITY OF BLOOMINGTON, INDIANA

We have audited the records of the Fleet Maintenance Department, City of Bloomington for the period from January 1, 2006 to December 31, 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 Result and Comment. The financial transactions of this office are reflected in the Comprehensive Annual Financial Report of the City of Bloomington for the year 2006.

STATE BOARD OF ACCOUNTS

August 22, 2007

FLEET MAINTENANCE
CITY OF BLOOMINGTON
AUDIT RESULT AND COMMENT

COMPUTER OUTPUT

Access to records and information generated by the computer system was limited due to a computer software malfunction. The software did not carry over accounts receivable balances from the previous year to the beginning of the current year. Beginning balance origin could not be determined from the reports run. When performing a review with the correct beginning balances, we noted small immaterial errors. We spoke with the office manager on June 12, 2007, about the differences. They were aware of the malfunction and were working to correct the situation, though they had been unable to resolve the glitch.

Output Controls: The computerized accounting system must incorporate features that assure all accounting information is reported accurately and completely. . . . Output reports must have appropriate subtotals to allow reconciliation to other reports and to external documentation. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FLEET MAINTENANCE
CITY OF BLOOMINGTON
EXIT CONFERENCE

The contents of this report were discussed on September 25, 2007, with Mark Kruzan, Mayor; James McNamara, Deputy Mayor; Susan Clark, Controller; Kevin Robling, Corporate Counsel; and Maria Heslin, Communications Director. The official response has been made a part of this report and may be found on page 6.



**City of Bloomington
Office of the Controller**

Bruce A. Hartman, CPA, State Examiner
Indiana State Board of Accounts
302 W. Washington Street, Room E418
Indianapolis, IN 46204

October 8, 2007

**OFFICIAL RESPONSE
To Audit Results and Comments
For the Year Ending December 31, 2006**

FLEET MAINTENANCE DIVISION OF PUBLIC WORKS DEPARTMENT: COMPUTER OUTPUT

Access to records and information generated by the computer system was limited due to a computer software malfunction. Software did not carry over accounts receivable balances from previous year into beginning of current year. Beginning balance origin could not be determined from the reports run. When performing review with the correct beginning balances, there were only small immaterial errors. We spoke with the office manager on June 12, 2007 about the differences. They were aware of the malfunction and were working to correct the situation, though they still had not yet been able to resolve the glitch.

Output Controls: The computerized accounting system must incorporate features that assure all accounting information is reported accurately and completely....Output reports must have appropriate subtotals to allow reconciliation to other reports and to external documentation.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Response:

When the Accounts Receivable Report for 12/31/2006 for the internal service department, Fleet Maintenance, was printed for our field examiners, staff noted that the outstanding balances for several departments were incorrect. Staff contacted the software vendor and the vendor determined that there was a programming error.

The software vendor subsequently advised staff that an update was available to correct the programming error. Information Technology Services staff installed the update on a computer located in the Public Works office in City Hall and thought that the software located on the City's intranet had been updated. Following the installation of the update, the Accounts Receivable Report was reissued for our field examiners by Fleet Maintenance staff located outside City Hall; staff did not realize that report was still inaccurate.

After some research, staff recognized that the update had only corrected the software malfunction on the single computer located in the Public Works office. Information Technology Services staff installed the update to the computer located in the Fleet Maintenance on August 13, 2007. The reports are now correct.

In addition, a spreadsheet is now used to record accounts receivable and to provide a comparison of the balances shown on the Accounts Receivable Report generated by the software each month.

Respectfully submitted,

Mary Susan Clark
Controller
City of Bloomington