

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

AUDIT REPORT
OF

MONTGOMERY COUNTY OFFICE
OF FAMILY AND CHILDREN,
FAMILY AND SOCIAL SERVICES ADMINISTRATION,
AND DEPARTMENT OF CHILD SERVICES

January 1, 2007 to December 31, 2007



FILED
11/17/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Director	Stephen Vaughn Charlene Burkett-Simms (Interim)	01-01-07 to 06-30-08 07-01-08 to 12-31-08
Secretary Family and Social Services Administration	Mitch E. Roob Jr.	01-10-05 to 01-11-09
Director Department of Child Services	James W. Payne	01-10-05 to 01-11-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MONTGOMERY COUNTY OFFICE OF FAMILY AND CHILDREN,
FAMILY AND SOCIAL SERVICES ADMINISTRATION, AND DEPARTMENT OF CHILD SERVICES

We have audited the records of the Montgomery County Office of Family and Children, Family and Social Services Administration, and Department of Child Services for the period from January 1, 2007 to December 31, 2007, 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 Comprehensive Annual Report of the State of Indiana.

STATE BOARD OF ACCOUNTS

August 12, 2008

MONTGOMERY COUNTY OFFICE OF FAMILY AND CHILDREN,
FAMILY AND SOCIAL SERVICES ADMINISTRATION,
AND DEPARTMENT OF CHILD SERVICES
AUDIT RESULTS AND COMMENTS

DEPOSITS

Eight of thirteen receipts tested were deposited later than the next business day.

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

DISBURSEMENT DOCUMENTATION

On September 25, 2007, an SDO check was issued to Continental Publishing for \$410.95 for a business advertisement. The Auditor of State requires that all vendors submit a W-9 and direct deposit form. It is recommended that local offices request the completed forms prior to payment. The local office tried numerous times to contact this vendor to acquire the necessary forms and eventually withdrew the reimbursement request leaving the fund short. The former Director, Stephen Vaughn, has repaid this amount to the County.

There is also cash necessary to balance of \$34.40.

Supporting documentation such as receipts, cancelled checks, invoices, bills, contracts, etc., must be made available for audit to provide supporting information for the validity and accountability of monies received or disbursed. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 1:6)

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. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 7:1)

CASH BOOK

The office does not maintain a cash book to record collections of the family and children fund or welfare trust or a subsidiary record of welfare trust.

Indiana Code 5-13-5-1(a) states:

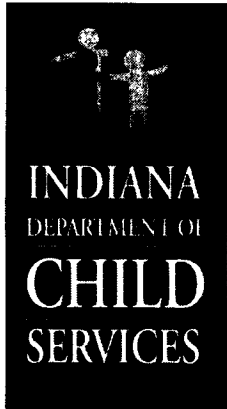
"Every public official who receives or distributes public funds shall:

- (1) keep a cash book into which the public officer shall enter daily, by item, all receipts of public funds; and
- (2) balance the cash book daily to show funds on hand at the close of the day."

MONTGOMERY COUNTY OFFICE OF FAMILY AND CHILDREN,
FAMILY AND SOCIAL SERVICES ADMINISTRATION,
AND DEPARTMENT OF CHILD SERVICES
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2008, with Michelle R. Cash, County Auditor; James D. Fulwider, President of the County Council; and Harry A. Siamas, President of the County Commissioners. The official response has been made a part of this report and may be found on page 6.

The contents of this report were discussed on August 12, 2008, with Stephen Vaughn, former County Director. The former official concurred with our audit findings.



Mitchell E Daniels, Jr., Governor
State of Indiana

**Department of Child Services
Montgomery County Office**

1635 Eastway Drive
CRAWFORDSVILLE, IN 47933
765-362-5600
FAX: 765-361-0141

Date: August 14, 2008

RE: General Statement to Audit

Response to the items listed on the Audit Results

Deposits: Funds received in this office are logged and taken to the courthouse within 24 hours. We have noticed that the quietus dates are sometimes days after we have taken to the courthouse, something which we have no control over.

Disbursement Documentation: Steven Vaughn has reimbursed the account and it has now been closed by the FSSA Auditor.

Cash Book: During the Audit it was never quite clear what type of cash book was to be maintained for the Trust Fund. The account does not contain funds for an identified child. If directions exist as to what is to be maintained please send them to Montgomery County DCS and the bookkeeper will implement prescribed procedures.

