

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

AUDIT REPORT

OF

COUNTY HEALTH DEPARTMENT

CLARK COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

12/31/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Health Officer	Dr. Kevin Burke	01-01-07 to 12-31-08
Administrator	J. Michael Meyer III	01-01-07 to 12-31-08
President of the County Council	David Abbott	01-01-07 to 12-31-08
President of the Board of County Commissioners	Edward Meyer	01-01-07 to 12-31-08



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF CLARK COUNTY

We have audited the records of the County Health Department (Department) 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 Annual Report of Clark County for the year 2007.

STATE BOARD OF ACCOUNTS

December 8, 2007

COUNTY HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS

CONDITION OF RECORDS

The Department maintains a separate depository account into which collections for services approximating \$300,000 per year are deposited. This depository account serves as a clearing account into which funds are temporarily held until the collections can be remitted to the County Auditor for inclusion in the County's financial records.

A ledger of receipts, disbursements, and balances should be maintained by the Department to properly account for the collections received by the Department. This ledger should also be reconciled monthly with the depository account and be used to determine amounts to be remitted to the County Auditor.

The following deficiencies were identified in the financial records being maintained by the Department:

1. A ledger of receipts, disbursements, and balances was not properly maintained. The ledger did not contain a balance and disbursement transactions (remittances to the County Auditor) were not posted to the ledger.

Proper posting of all financial transactions to the ledger is necessary in order to ensure accurate financial reporting. A ledger balance is necessary to perform a bank reconciliation in order to ensure the balance as shown in the depository account is correct.

Failure to properly maintain a financial ledger could result in the improper reporting of financial activity to the County.

2. Collections received by the Department were not remitted timely to the County. Collections were remitted from one to three months late.

Failure to remit collections timely to the County increases the risk of improper financial reporting and financial transactions not being recorded in the proper financial year.

3. As a result of not maintaining a ledger balance, monthly reconciliements of the depository account balance to the ledger cash balance were not performed.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

We recommended procedures be implemented to properly maintain a financial ledger that shows the balance of cash on hand and individual remittances made to the County Auditor to insure that remittances are being made timely to the County Auditor.

COUNTY HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

PERSONNEL POLICY

The Clark County Board of Health has adopted a policy concerning personnel benefits. However, the Department did not comply with certain provisions regarding vacation and sick leave.

1. The policy provides up to 15 days of vacation per year.

However, employees reaching 20 years of service are given 20 days per year.

2. The policy allows vacation leave to be accrued up to 21 days, but must be taken within the year after it is earned. The policy allows sick leave to be accumulated up to 60 days. Upon resignation, one day of terminal leave is allowed for each 10 days of accrued sick leave.

Employees are being permitted to accumulate vacation and sick leave indefinitely.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COMPENSATION AND BENEFITS

Payments were made to hourly employees of the Department for 2007 which were not included on the salary ordinance adopted by the county council.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY HEALTH DEPARTMENT  
CLARK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2008, with Dr. Kevin R. Burke, Health Officer; and J. Michael Meyer, III, Administrator. The official response has been made a part of this report and may be found on page 7.

The contents of this report were also discussed on December 8, 2008, with Edward Meyer, President of the Board of County Commissioners; and on December 11, 2008, with David Abbott, President of the County Council; and Jack Coffman, Vice-President of the County Council.



# Clark County Health Department

1320 DUNCAN AVENUE  
JEFFERSONVILLE, INDIANA 47130  
812-282-7521

## Clark County Health Department Response to Audit Results and Comments

December 10, 2008

### CONDITION OF RECORDS

The Clark County Board of Health and the Clark County Health Department will ensure that a ledger of receipts, disbursements, and balances will be properly maintained. A monthly reconciliation of the depository account balance with the balance per the financial ledger will be performed. After our 2006 audit exit interview in November 2007, the above recommendations were incorporated into our ledger as of January, 2008 and now contain the bank balance and disbursement transactions. This was approved by the State audit staff in November 2008. We now have a ledger balance so that monthly reconciliations of the depository account balance to the ledger cash balance are being performed.

Collections received by the Health Department will be remitted to the County Auditor within 5 working days of receiving the bank statement to ensure accurate financial reporting by the County.

These recommendations are a repeat of ones made in the 2006 Audit and have already been addressed in 2008.

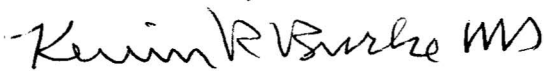
### PERSONNEL POLICY

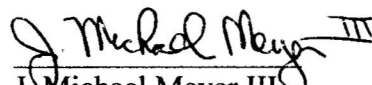
The Clark County Board of Health and the Clark County Health Department will modify its personnel policies to be consistent with those of the County as much as possible.

### COMPENSATION BENEFITS

The Clark County Board of Health and the Clark County Health Department will ensure that the County Council considers for adoption the hourly rated employees rate of pay range by ordinance as submitted on the County Form #144. This information has previously been submitted to the County Auditor but was not adopted by ordinance by the Council.

Submitted by:

  
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Kevin R. Burke M.D.  
Health Officer

  
\_\_\_\_\_  
J. Michael Meyer III  
Administrator