

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

EXAMINATION REPORT

OF

MINORITY HEALTH PARTNERS OF HOWARD COUNTY

HOWARD COUNTY, INDIANA

July 1, 2005 to November 20, 2007



FILED
02/25/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Transmittal Letter	3
Combined Statement of Receipts, Disbursements, and Balances	4
Examination Results and Comments:	
Unauthorized Bank Withdraws	5
Payments to Minority Health Partners Coordinator	5
Record Retention.....	6
Disbursements.....	6
Quarterly Reports	6
Bank Reconciliations	6
Financial Statements	6
Federal and State Reporting Requirements.....	7
Audit Costs	7
Exit Conference.....	8
Summary	9
Affidavit	11

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mildred Scott	07-01-05 to 11-20-07
Coordinator	Tracika Lynwaun Richie	07-01-05 to 03-01-07
Executive Director	Russell Towner	07-01-05 to 11-20-07
President of the Board of Directors	Anthony Waters	07-01-05 to 05-01-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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 MINORITY HEALTH PARTNERS OF HOWARD COUNTY

We have examined the records of the Minority Health Partners of Howard County for the period from July 1, 2005 to November 20, 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 Examination Results and Comments.

STATE BOARD OF ACCOUNTS

November 27, 2007

MINORITY HEALTH PARTNERS OF HOWARD COUNTY
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND BALANCES
 July 1, 2005 to July 31, 2007

	Balance 07-01-05	Receipts	Disbursements	Balance 12-31-05
Cash and Investments	\$ 2,020	\$ 15,020	\$ 2,854	\$ 14,186

	Balance 01-01-06	Receipts	Disbursements	Balance 12-31-06
Cash and Investments	\$ 14,186	\$ 33,180	\$ 27,842	\$ 19,524

	Balance 01-01-07	Receipts	Disbursements	Balance 07-31-07
Cash and Investments	\$ 19,524	\$ 10,192	\$ 24,726	\$ 4,990

MINORITY HEALTH PARTNERS OF HOWARD COUNTY
EXAMINATION RESULTS AND COMMENTS

UNAUTHORIZED BANK WITHDRAWS

Bank withdraws totaling \$25,892.95 were made from the bank account of the Minority Health Partners of Howard County using an Automated Teller Machine/Debit card. These withdraws were made without the authorization of Minority Health Partners officials. Of the \$25,892.95 in unauthorized withdraws, \$24,971 were withdraws of cash from automated teller machines in the Kokomo area. The remaining bank withdraws were \$320.39 for purchases made at local vendors such as CVS, Kroger, Domino's Pizza, Family Dollar, Big Lots, Hobby Lobby, Best Buy, Red Lobster, and Marsh, and \$601.56 to purchase cell phones from Cingular.

Discussions with Minority Health Partners officials indicated that the unauthorized withdraws were made by former Minority Health Partners Coordinator, Tracika Lynwaun Richie. Ms. Richie indicated to the officials that she felt she was owed this money as a result of a dispute over her compensation. Ms. Richie was requested to repay \$25,892.95 to the Minority Health Partners of Howard County. (See Summary, page 9)

Section 22 of the Grant Agreement states that "Grant funds received by the Grantee pursuant to this Grant shall be used only to institute an approved Tobacco and Prevention and Cessation Program, permitted by Indiana Code 4-12-4."

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Page 5:3)

PAYMENTS TO MINORITY HEALTH PARTNERS COORDINATOR

Two vendor checks totaling \$2,000 were issued in April of 2006 to former Minority Health Partners Coordinator, Tracika Lynwaun Richie. The first check for \$500 was issued on April 13, 2006, and the second check for \$1,500 was issued on April 27, 2006. Both checks were signed by former Minority Health Partners President, Anthony Waters. Minority Health Partners officials were not able to determine the reason these checks were issued to Ms. Richie and no documentation was presented for audit to substantiate these payments. The salary of Ms. Richie throughout her employment as Minority Health Partners Coordinator was paid by the Indiana Minority Health Coalition.

Ms. Richie was requested to repay \$2,000 to the Minority Health Partners of Howard County for these undocumented payments. (See Summary, page, 9)

IC 5-11-10-1 states in part: "No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Page 1:5)

MINORITY HEALTH PARTNERS OF HOWARD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

RECORD RETENTION

Disbursement supporting documentation such as invoices and bills were not retained for audit. In addition payroll records were not available for audit. As a result, we were not able to determine the validity and accountability of disbursements made from Minority Health Partners bank accounts.

Supporting documentation such as receipts, canceled 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. Documents must be filed in such a manner as to be readily retrievable or otherwise reasonably obtainable, upon request, during an audit. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Page 1:5)

DISBURSEMENTS

Several disbursements were made from Minority Health Partners bank accounts which were not allowable costs as set out in the Executive Document Summary (Grant Agreement) Form O – Budget Worksheet. For example, expenditures from Grant funds were made for computer equipment, continuing education, and fixed payments to Minority Health Partners personnel, but these expenditures were not permitted as set out in the approved project budget.

Section 1 of the Grant Agreement stipulates that the grant "shall be used exclusively in accordance with the provisions contained in this agreement and in Indiana Cole 4-12-4 establishing the Tobacco Use and Prevention and Cessation Trust Fund."

QUARTERLY REPORTS

Quarterly progress reports required to be filed by the Minority Health Partners of Howard County were not filed with the Indiana Tobacco Prevention Cessation Agency.

Section 15(F) of the Grant Agreement states that the "grantee is responsible for submitting to the State on a calendar quarterly basis, a quarterly progress report until the completion of the project."

BANK RECONCILIATIONS

Monthly bank reconciliations were not performed on bank accounts maintained by the Minority Health Partners.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

FINANCIAL STATEMENTS

Bank statements through July 31, 2007, were available for audit. The financial statements included in this audit are reflective only of the financial activity through that date.

MINORITY HEALTH PARTNERS OF HOWARD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

No evidence was noted that unauthorized bank withdraws of \$24,971 made by, and \$2,000 in undocumented payments made to Minority Health Partners Coordinator, Tracika Lynwaun Richie, was reported to the Internal Revenue Service on either a Form 1099 or a W-2.

Every governmental unit is required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

AUDIT COSTS

Audit costs were incurred by the State of Indiana during the current audit due to unauthorized bank withdraws by and payments made to the Minority Health Partners Coordinator. Audit costs totaled \$4,235.40.

MINORITY HEALTH PARTNERS OF HOWARD COUNTY
EXIT CONFERENCE

An exit conference was scheduled for January 8, 2009, with Tracika Lynwaun Richie. Ms. Richie signed for a certified letter inviting her to this conference on December 24, 2008, but did not attend.

An exit conference was held with on January 20, 2009, with Russell Towner, former Vice President; and David Hale, member.

MINORITY HEALTH PARTNERS OF HOWARD COUNTY
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Tracika Lynwaun Richie, former Coordinator:			
Unauthorized Bank Withdraws, page 5	\$ 25,892.95	\$ -	\$ 25,892.95
Payments to Minority Health Partners Coordinator, page 5	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>
Totals	<u>\$ 27,892.95</u>	<u>\$ -</u>	<u>\$ 27,892.95</u>

(This page intentionally left blank.)

AFFIDAVIT

STATE OF INDIANA)
)
HAMILTON COUNTY)

I, John Allen Homrig, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Minority Health Partners of Howard County, Howard County, Indiana, for the period from July 1, 2005 to November 20, 2007, is true and correct to the best of my knowledge and belief.



Field Examiner

Subscribed and sworn to before me this 4th day of February, 2009



Notary Public

My Commission Expires: May 24, 2015

County of Residence: Hamilton