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

REVIEW REPORT

OF

ADJUTANT GENERAL

STATE OF INDIANA

September 1, 2006 to December 31, 2008

FILED

05/28/2009

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AGENCY OFFICIALS

Office	Official	Term
Adjutant General	Major General R. Martin Umbarger	01-10-05 to 01-13-13

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ADJUTANT GENERAL

We have reviewed the receipts, disbursements, and assets of the Adjutant General for the period of September 1, 2006, to December 31, 2008. Adjutant General's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Pursuant to Indiana Code 5-11-1-26, we reviewed the Adjutant General's compliance with Indiana Code 5-16-8 regarding use of domestic steel products. We found this agency requires all bidders to include a Domestic Steel Affidavit in their bid packages.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Adjutant General are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations, except as stated in the review comments.

STATE BOARD OF ACCOUNTS

February 23, 2009

ADJUTANT GENERAL
REVIEW COMMENT
DECEMBER 31, 2008

PENALTIES, FEES, AND OTHER CHARGES

As stated in our prior report B28546, the Adjutant General's Office paid late fees on utilities bills of the local armories.

Officials and employees have the duty to pay claims timely. Any penalties, interest or other charges paid by the governmental unit may be the obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 5)

ADJUTANT GENERAL
EXIT CONFERENCE

The contents of this report were discussed on May 1, 2009, with Major General R. Martin Umbarger, Adjutant General; Colonel David Shorter, Director of State Operations; and Colonel John Bailey, State Controller. The official response has been made a part of this report and may be found on pages 6 and 7.

INDIANA
JOINT FORCES HEADQUARTERS
NATIONAL GUARD
2002 SOUTH HOLT ROAD
INDIANAPOLIS, INDIANA 46241-4839

May 7, 2009

State Board of Accounts
ATTN: Mr Mike Hoose
302 West Washington St, Room E 418
Indianapolis, Indiana 46204-2765

Reference: Adjutant General's Office Audit

____________"OFFICIAL RESPONSE"__________

Dear Mr. Hoose:

Enclosed are the results, comments and response to the audit performed on the Adjutant General's Agency for the period July 1, 2006 to June 30, 2008.

POC at this office is the undersigned at (317) 247-3254.

Sincerely,

John W. Bailey
Colonel, AUS Retired
State Controller

Enclosures:

Response #2

Penalties, Fees and other Charges.

This agency has established a three times-per-week courier from Camp Atterbury that delivers utility bills directly to the Accounting office. The Accounting office prepares checks for vendor payment twice-per-week. These two steps and personnel stability in key accounting positions have lowered our late fee payment by approximately 75%. A meeting is being scheduled with the President of the main utility company and The Adjutant General to discuss the possibility of a summary billing for our Agency that will reduce the remaining 25% late fee charges.