B37349

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

REVIEW REPORT

OF

INDIANA PROFESSIONAL LICENSING AGENCY

March 1, 2007 to January 31, 2010

FILED
08/13/2010

TABLE OF CONTENTS

AGENCY OFFICIALS

Office	Official	Term
Executive Director	Frances L. Kelly	03-14-05 to 01-13-13

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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA PROFESSIONAL LICENSING AGENCY

We have reviewed the receipts, disbursements, and assets of the Indiana Professional Licensing Agency for the period of March 1, 2007 to January 31, 2010. Indiana Professional Licensing Agency'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.

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 Indiana Professional Licensing Agency are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

June 24, 2010

INDIANA PROFESSIONAL LICENSING AGENCY
REVIEW RESULTS AND COMMENTS
JANUARY 31, 2010

ATTENDANCE REPORTS

As stated in our prior Reports B30046 and B25543 and again in our current review of the Indiana Professional Licensing Agency, we observed that employee attendance reports were signed and approved prior to the last day worked. Additionally, we observed employee attendance reports that were not dated by the employee and/or the supervisor.

The attendance report is to be completed accurately, and be signed and dated by the employee. After being completed by the employee, the attendance report should be reviewed, signed, and dated by the immediate supervisor of the employee, or by another designated individual who has knowledge of the employee's attendance. Employee attendance reports should not be signed, dated or approved prior to the last day worked in a pay period. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, 9.4.1.1)

CAPITAL ASSET INVENTORY

As stated in our prior three reports (most recently B30046 and B25543), and again in our current review of the Indiana Professional Licensing Agency, we observed that an annual physical inventory of assets owned had not been conducted. Additionally, we found that assets on the agency's asset listing had not been added to the State's new ENCOMPASS financial system.

Agency personnel are responsible for accountability for all assets under their control, including capital assets. Adequate asset management staff should be assigned to recording and maintaining, on the ENCOMPASS financial system, all capital assets with a cost greater than $500. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, 8.3)

Controls should be in effect to assure that additions, disposals, and transfers to other departments or agencies are recorded timely. Inventories of these assets should be performed each year in each department and compared to the ENCOMPASS listing. Results of inventories should be retained for audit purposes. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, 8.3)

AGENCY OWNED VEHICLES

The Indiana Professional Licensing Agency owns ten vehicles. Two out of these ten vehicles were not being used as per the requirements of the Public Law 182-2009, Section 24. For our tested period of August 2009 through January 2010, these vehicles (commission numbers 1592 and 1597) were driven less than one thousand miles each month.

Public Law 182-2009, Section 24 (3) states: "In the case of employees, it shall be shown that the major portion of the duties assigned to the employee require travel on state business in excess of one thousand (1,000) miles each month, or that the vehicle is identified by the agency as an integral part of the job assignment."

INDIANA PROFESSIONAL LICENSING AGENCY
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2010, with Frances L. Kelly, Executive Director. The official response has been made a part of this report and may be found on pages 6 and 7.

We work to keep you working
IPLA
Professional Licensing Agency

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Governor Mitchell E. Daniels, Jr.

August 03, 2010

Patti Serbus, CPA
Field Examiner
State Board of Accounts
302 W. Washington Street, Room E418
Indianapolis, IN 46204-2765

RE: IPLA response to review results and comments of 2010 audit

Dear Ms. Serbus,

Thank you for meeting with me, Maureen Bennett and Lisa Bentley to discuss the findings of our recently concluded audit. The purpose of this communication is to briefly comment regarding the three items brought forth by the review.

Attendance Reports
IPLA supervisory staff has been reminded that it is a violation of policy to sign off on attendance reports with dates that are prior to the last day worked. We will continue to monitor attendance reports and will direct our payroll clerk to return any reports with errors.

Capital Asset Inventory
During the audit it was brought to our attention that an annual physical inventory of assets owned had not been conducted. At the time we met to discuss the audit results, Maureen Bennett, IPLA Comptroller, indicated that the inventory was in process. As of this date, the inventory has been completed and we are now awaiting GMIS approval.

Agency Owned Vehicles
There were two separate issues highlighted regarding IPLA owned vehicles:

- Vehicles driven less than one thousand miles each month: The extra vehicles are a result of a reduction in agency head count. We currently use the vehicles as either a loaner/pool car when another vehicle requires maintenance or as a loaner/pool car for office-based staff that needs to travel within the state to conduct business so that we do not incur a mileage expense. We understand the desire to decrease vehicle counts. However, the current arrangement results in zero expense to our budget. Eliminating the vehicle(s) would require IPLA to pay staff mileage or incur a rental expense, neither of which makes sound financial sense for us at this time.

- Commuting: None of the employees assigned a take home vehicle use it for purposes of commuting to work. Each employee is assigned a district and their station is their home. The employee work assignments require that they travel to a different location each day in order to conduct inspections, respond to complaints, audit files and attend meetings. As such, no employee meets the definition of "commuting".

If you have any additional concerns or comments regarding the audit period, please do not hesitate to let me know.

Sincerely,

Frances L. Kelly
Executive Director