

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

AUDIT REPORT

OF

HEALTH DEPARTMENT

CLARK COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
04/17/2013



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COUNTY OFFICIALS

| <u>Office</u>                                     | <u>Official</u>                                       | <u>Term</u>  |
|---|---|--|
| Administrator                                     | J. Michael Meyer, III                                 | 01-01-10 to 12-31-13   |
| Health Officer                                    | Kevin R. Burke, M.D.                                  | 01-01-10 to 12-31-13   |
| Chairman of the<br>Board of Health                | James Howard, DVM                                     | 01-01-10 to 12-31-13   |
| President of the<br>County Council                | Jack A. Coffman<br>Kevin Vissing<br>Barbara C. Hollis | 01-01-10 to 12-31-10<br>01-01-11 to 12-31-11<br>01-01-12 to 12-31-13 |
| President of the Board of<br>County Commissioners | M. Edward Meyer<br>Les Young<br>Jack A. Coffman       | 01-01-10 to 12-31-11<br>01-01-12 to 12-31-12<br>01-01-13 to 12-31-13 |



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF CLARK COUNTY

We have audited the records of the Health Department for the period from January 1, 2010 to December 31, 2011, 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 years 2010 and 2011.

STATE BOARD OF ACCOUNTS

November 13, 2012

-HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS

**HEALTH DEPARTMENT COLLECTION AREAS (Informational Only)**

The Health Department (Department) has six separate collection areas where monies are collected for services. Monies collected at each of these service areas are required to be reported on a Report of Collections. The monies reported on the Reports of Collection are required to be remitted to the Department's central bookkeeper. The bookkeeper is responsible for depositing funds remitted from the various collection areas and remitting those collections monthly to the County Auditor/Treasurer for inclusion in the County's financial records.

A review of the Department's financial activity was performed for the period of January 1, 2010 to December 31, 2011. A review of the Department's financial activity identified several problems with controls over financial reporting and compliance with laws and regulations which are more fully described in the subsequent Audit Results and Comments. In addition, a separate audit report was issued on the Health Department - Prenatal Clinic for the period January 1, 2010 to December 31, 2011. The audit report on the Prenatal Clinic identified cash shortages totaling \$13,213.75 which were a result, in part, due to the similar problems with internal controls deficiencies as described in the subsequent comments in this report.

**COLLECTIONS NOT DEPOSITED TIMELY BY BOOKKEEPER**

The Department has six separate collection areas where monies are collected for services. Monies collected at each of these service areas are required to be remitted to the Department's central bookkeeper. The bookkeeper is responsible for depositing funds remitted from the various collection areas. Collections received from the various service areas were not deposited timely by the Department's central bookkeeper. A comparison of the collection date (based on the date of receipts written by the bookkeeper) with the bank deposit dates identified multiple instances of funds being deposited 3 to 16 business days after the date receipts were written. The following are examples of deposits not made timely:

| <u>Receipt Numbers</u> | <u>Receipt Dates</u> | <u>Deposit Date</u> | <u>Number of Business Days Held Before Deposited</u> | <u>Receipt Amounts</u> |
|------------------------|----------------------|---------------------|--|------------------------|
| 128585 to 128588       | 05-21-10             | 05-26-10            | 3  | \$ 5,324.50            |
| 128637 to 128638       | 07-23-10             | 08-16-10            | 16   | 3,711.01               |
| 128658 to 128669       | 08-24-10 to 08-31-10 | 08-31-10            | 5  | 15,586.18              |
| 128677 to 128681       | 09-17-10 to 09-24-10 | 09-24-10            | 5  | 4,505.50               |
| 128701 to 128703       | 10-19-10 to 10-22-10 | 10-22-10            | 3  | 7,166.83               |
| 133661 to 133667       | 01-25-11 to 01-27-11 | 01-28-11            | 3  | 19,307.00              |
| 133690 to 133693       | 02-28-11 to 03-04-11 | 03-04-11            | 4  | 5,034.58               |
| 133727 to 133740       | 05-11-11 to 05-19-11 | 05-19-11            | 6  | 16,811.06              |
| 133741 to 133749       | 05-20-11 to 05-27-11 | 05-27-11            | 5  | 5,294.27               |
| 133758 to 133770       | 06-03-11 to 06-10-11 | 06-23-11            | 14   | 4,233.72               |
| 133928 to 139297       | 06-14-11 to 06-22-11 | 06-23-11            | 7  | 6,592.07               |
| 139302 to 139311       | 06-28-11 to 07-06-11 | 07-06-11            | 5  | 5,266.43               |
| 139312 to 139318       | 07-08-11 to 07-14-11 | 07-14-11            | 4  | 6,400.43               |
| 139348 to 139355       | 08-22-11 to 08-26-11 | 08-26-11            | 4  | 3,499.00               |
| 139356 to 139363       | 08-26-11 to 09-01-11 | 09-01-11            | 4  | 1,851.32               |
| 139378 to 139390       | 09-19-11 to 09-23-11 | 09-23-11            | 4  | 11,099.36              |
| 139391 to 139402       | 09-26-11 to 09-29-11 | 09-29-11            | 3  | 5,244.62               |

HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

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. . ."

Indiana Code 5-13-14-3, effective July 1, 2011, states in part: "A public servant who knowingly or intentionally: . . . deposits . . . except in the manner prescribed in this article, commits a Class A misdemeanor. However, the offense is a Class D felony if the amount involved is at least seven hundred fifty dollars (\$750) and a Class C felony if the amount involved is at least fifty thousand dollars (\$50,000). The public servant also is liable upon the public servant's official bond for any loss or damage that may accrue."

**UNTIMELY REMITTANCE OF COLLECTIONS TO COUNTY**

A bank account has been established for the Department so that monies collected by the Department can be remitted monthly to the County Auditor for inclusion in the County's financial records. A review of the Report of Collections filed by the Department showed that monies were not being remitted timely. There were ten instances in the years 2010 and 2011 in which the collections were not remitted timely as shown in the following schedule:

| Collection<br>Period | Date<br>Remitted |
|----------------------|------------------|
| January 2010         | 03-02-10         |
| September 2010       | 11-03-10         |
| November 2010        | 01-31-11         |
| March 2011           | 05-26-11         |
| May 2011             | (1)              |
| June 2011            | (2)              |
| July 2011            | 09-15-11         |
| August 2011          | 10-06-11         |
| September 2011       | 11-03-11         |
| November 2011        | 01-11-12         |

Notes:

1. Collections for the month of May 2011 were remitted to the County in two installments. Part of the collections for the month was remitted on August 17, 2011, and the other part was remitted on October 6, 2011.
2. The collections for June 2011 totaled \$20,652.29; however, only \$13,859.50 was remitted to the County on September 1, 2011. The remaining \$6,792.79 was retained by the Department and not been remitted to the County as of March 23, 2012.

Money collected by departments must be turned over to the county auditor either daily or monthly. If they turn it in monthly, then they must have their own bank accounts to hold the money until they turn in the report of collections. (The County Bulletin and Uniform Compliance Guidelines, Volume 344)

HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Failure to remit the monies timely to the County, results in inaccurate financial reporting of the Department in the County's financial records thus preventing the County from proper monitoring and internal controls over financial activity and making accurate financial decisions. If the financial activity is not recorded in the proper financial period, it leads to inconsistencies in financial reporting and inaccurate financial analysis as one calendar year financial statements may include financial activity for more or less than 12 month's financial activity.

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)

***BOOKKEEPER'S FAILURE TO PROPERLY MAINTAIN CASH BOOK***

The Department maintains a separate depository account into which collections for services approximating \$300,000 per year are deposited. The depository account serves as a clearing account into which funds are temporarily held until the collections are remitted to the County Auditor by check for inclusion in the County's financial records. A cash book is used by the Department's central bookkeeper to record collections received from the Department's various service areas and to record the remittance of those collections to the County Auditor/Treasurer. We noted the following deficiencies regarding the recording of financial activity in the cash book:

1. Receipt activity was not recorded in the proper month in which the activity occurred. The receipt activity was recorded in the cash book based upon the date the monies were deposited and not on the date the receipt was written. For example, there were two receipts written on July 23, 2010, that were not recorded and reflected in the receipt totals and cash balance for the month of July. The receipts were recorded in the cashbook on August 15, 2010, when the monies were deposited.

Receipts written at the end of the month were not recorded in the cash book on the date received, but recorded in the subsequent month when the deposit was made and shown as clearing the bank.

2. Checks written for monies remitted to the County Auditor/Treasurer were not always recorded in the cash book or were not recorded in the month in which the check was written. There were instances when a check would be recorded in the cashbook to correspond with the amount of collections received for a particular month rather than the date the check was written.

In addition, checks recorded to the cashbook were not always properly referenced with a check number and the date the check was written.

3. A cash balance was not always recorded in the cash book or the cash balance did not reflect the actual cash balance.
4. Monthly totals recorded in the cash book for receipts and disbursements were not always correct. For example, a transaction would be recorded in the cash book, but the transaction amount would not always be included in the monthly totals for receipt or disbursement activity.



HEALTH DEPARTMENT  
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AUDIT RESULTS AND COMMENTS  
(Continued)

5. Financial functions were not being performed in a timely manner. When the financial records were obtained from the Department on June 14, 2011, the financial activity for the month of May had not been recorded in the cash book and the bank depository account balance for the month of April had not be reconciled with the cash book's cash balance.
6. Monthly bank reconcilements were either not performed or were not performed properly due to the cash balance not always being recorded on the cash book, the recording of inaccurate cash balances, and disbursement transactions not being recorded properly on the financial ledger.

Failure to properly maintain financial records and perform bank reconcilements weakens the Department's ability to ensure the monies are properly remitted to the County Auditor/Treasurer and the Department's financial activity is properly and accurately reported in the County's financial statements. It also increases the risk for the misappropriation of funds.

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)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

#### ***DEPOSITING COLLECTIONS IN SAME FORM RECEIVED***

The Department has six separate collection areas where monies are collected for services. Monies collected at each of these service areas are required to be reported on a Report of Collections. The monies reported on the Reports of Collection are required to be remitted to the Department's central bookkeeper. The bookkeeper is responsible for depositing funds remitted from the various collection areas and remitting those collections monthly to the County Auditor/Treasurer for inclusion in the County's financial records.

The Department was unable to provide information that funds were deposited in the same form in which they were received as required by Indiana Code 5-13-6-1(c) due to the following:

1. The various service areas did not always identify whether fees received were in the form of cash, check, or money order. The receipt form approved or prescribed by the State Board of Accounts requires the form of payment to be documented on the receipt form.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

2. The bank deposit tickets completed by the Department's central bookkeeper did not list the individual checks by check number or name as shown on the check that comprised the monies being deposited.

HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

The proper identification as to the type of payment allows the physical count of the monies on hand to be compared to the receipts issued to ensure that monies are properly deposited in the same form received and that monies received from other sources are not being substituted for current collections. Failure to list the checks individually on deposit tickets weakens the Department's ability to identify monies that make up the deposit in the event that there is a problem with the deposit at the bank. Furthermore, it weakens the Department's ability to match the funds deposited with the receipts issued.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-13-6-1 (c) states in part: "... Public funds deposited under this subsection shall be deposited in the same form in which they were received."

**DEPARTMENT ANNUAL FINANCIAL REPORT**

The Department did not accurately report the Department's financial activity for the year 2010 on the Supplemental CAR-1, a prescribed form. The Supplemental CAR-1 has been prescribed to summarize yearly financial activity associated with the funds handled directly by County departments for inclusion in the County's Annual Financial Report (CAR). The Supplemental CAR-1 report completed by the Department incorrectly included financial activity associated with funds under the administrative control of the Department, but for which the financial activity is handled directly by the County Auditor and the monies do not first flow through the Department.

During the course of the audit, adjustments were made to the County's Annual Financial report to correctly report the Department's financial activity as follows:

| <u>Financial Activity</u> | <u>2010<br/>Beginning<br/>Cash<br/>Balance</u> | <u>2010<br/>Receipts</u> | <u>2010<br/>Disbursements</u> | <u>2010<br/>Ending<br/>Cash<br/>Balance</u> |
|---------------------------|--|--------------------------|-------------------------------|---|
| Reported by Department    | \$ 878,100                                     | \$ 1,357,862             | \$ 1,724,850                  | \$ 511,112                                  |
| Determined per Audit      | <u>64,784</u>                                  | <u>332,622</u>           | <u>341,309</u>                | <u>56,097</u>                               |
| Variance                  | <u>\$ 813,316</u>                              | <u>\$ 1,025,240</u>      | <u>\$ 1,383,541</u>           | <u>\$ 455,015</u>                           |

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

**OPTICAL IMAGES OF CHECKS**

The financial institution did not return the actual cancelled checks with the monthly bank statements, or the optical image of the front and back of the check. The bank statement did not contain the deposit ticket or an optical image of the deposit ticket.

Indiana Code 5-15-6-3(a) concerning optical imaging of checks states in part: ". . . 'original records' includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . . "

Further, Indiana Code 26-2-8-111(a) and (e) state:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

**PETTY CASH**

The Department's central bookkeeper is the custodian of a petty cash fund. A cash count of the petty cash fund on March 21, 2012, noted the following:

1. Receipts for petty cash were not being claimed for reimbursement in a timely manner. Unreimbursed petty cash receipts totaled \$117.37, of which \$87.14, were for unreimbursed petty cash receipts dated from January 2011 to December 2011.

Petty cash receipts should be filed with the County for reimbursement on a timely basis in order to ensure proper recording of financial activity and accountability of funds.

HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

2. Monies on hand along with unreimbursed receipts did not agree with the amount of the petty cash funds. The total unreimbursed receipts and monies on hand totaled \$155.15, whereas the amount of the petty cash fund established was \$165 for a variance of \$9.85.

No explanation was provided for the variance.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

***INTERNAL CONTROL DEFICIENCIES OVER FINANCIAL REPORTING***

A review of the Department's records identified several problems with internal controls over collections at the various service areas. Internal controls are procedures performed by an entity, such as, reviews and checks and balances that safeguard its assets and resources; deter and detect errors, fraud, and theft; ensure accuracy and completeness of its financial data; produce reliable and timely financial information; and to ensure adherence to its policies and plans. The following internal control deficiencies were noted:

1. Problems were noted with lack of segregation of duties without compensating controls in place. There was no segregation of duties in that individuals had multiple job duties that would enable the individuals to cover up the diversion of monies due to the lack of oversight or the lack of assignment of duties among various employees thus allowing another employee not to recognize any potential problems. There were no compensating controls in place, such as, a comparison of the receipts issued to the receipts reported on the report of collections by more than one individual or by someone not responsible for handling the monies.

One person is primarily responsible for collecting the monies, issuing receipts, and completing the report of collections at collection points for the AIDS clinic, TB clinic, immunization clinic, vital records, and environmental records. The lack of segregation of duties extends to the Department's central bookkeeper in that the bookkeeper is responsible for issuing receipts for monies remitted by the various collection points to the central office, depositing monies received; recording transactions to the Department's financial ledger; issuing checks to the County for the monies received by the Department; and reconciling the Department's depository account with the Department's cashbook cash balance.

The central bookkeeper's duties also require the ordering of receipt books from the supplier, issuing the receipt books to the various services areas; keeping a log of the receipt books issued to the various services areas; and retaining completed receipt books used by the Department. Furthermore, the central bookkeeper was subsequently assigned the responsibility to oversee the various service areas in order to determine that the service areas are remitting monies timely and all of the receipts issued at the service areas are accounted for.

Failure to have segregation of duties and some type of compensating controls could result in incorrect financial reporting and fraud.

HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

2. Monies collected by the Department's central bookkeeper and monies remitted to the bookkeeper by the various service areas were not being deposited timely (see Audit Result and Comment titled "Collections Not Deposited Timely by bookkeeper").
3. The Department did not have a system in place to monitor whether monies collected by the various service areas were remitted to the bookkeeper on a daily basis for deposit.

A comparison of the receipts issued at the various service areas to the date the collections were remitted to central bookkeeper, per the central bookkeeper's receipt dates, showed monies were remitted anywhere from a week to a month after the monies were received at the service area.

Failure to remit monies timely for deposit weakens internal controls and increases the risk for the misappropriation of funds. If monies are not deposited daily, current collections can be substituted for previous collections that have not been remitted and have been misappropriated or checks from collections can be substituted for cash collections that have been misappropriated and not receipted. Failure to deposit funds daily also increases the risk of theft from outside sources if the funds are not held in a secure location.

4. The Report of Collections form completed by all service areas documenting the monies collected and the source of the monies was not the form prescribed by the State Board of Accounts (Form 362). The form being used by the service areas did not include information showing year to date collections. The year to date collections columns on the form provides a system whereby the service area can summarize the monies collected for comparison with those reported at the Department's administrative office to ensure accuracy in financial reporting and provide a system to determine if all monies and Reports of Collections have been accounted for. The Department did not have an alternative procedure in place to ensure that all Report of Collections and the related monies were properly accounted for.
5. An instance was noted in which the prescribed receipt form was not in use at a service area. The receipt form in use was a generic receipt form without the name of the Department which could be purchased at any office supply store.

Generic receipt forms could be used to circumvent the controls provided by authorized prescribed forms. The State Board of Accounts prescribed receipt form requires the receipt to have the name of the unit and a receipt control number pre-printed on the form by the supplier. The use of the prescribed form allows the Department to have controls over the receipts that are issued in order to properly account for all receipts. By allowing the use of a generic receipt form, employees could more readily use their own receipt books to issue receipts without the knowledge of others and divert funds.

6. Proper procedures were not in place to document voided receipts at the various service areas. When receipts were voided, no explanations were provided to identify the reason for the voided receipt in order to evaluate if it was proper. In addition, not all voided receipts had the original customer receipt copy attached to the Department's copy of the receipt. There was no oversight for voided receipts whereby someone else not responsible for the collections reviewed the voided receipt and supporting information to determine if the void was reasonable.

As a result of not having proper controls in place over voided transactions, monies could be diverted and receipts marked as being voided to cover up the diversion of the monies.

HEALTH DEPARTMENT  
CLARK COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

7. Proper controls were not in place for Medicaid/insurance billings at the Prenatal Clinic as described below:

a. No accounts receivable control record was maintained to show the total due from Medicaid or other insurance companies at any point in time and reconciled on a periodic basis with individual patient accounts receivable accounts.

Once an accounts receivable control is established, payments recorded on the accounts receivable controls should be reconciled with payments reported and remitted to the book-keeper.

b. Medicaid billings, payments received, and outstanding balance at the end of each period were not reviewed and maintained by an employee separate from the employees collecting monies.

c. Receipts written for Medicaid insurance collections did not identify the persons from whom the services were provided and the information was not retained with the receipt.

Failure to have proper controls over billings and collections could allow for funds to be diverted or substituted for daily cash collections for services that are not billed or failure to receive collections for all services performed.

8. There were other internal control deficiencies identified at the Prenatal Clinic associated with cash shortages. (See Audit Result and Comment title: "Prenatal Clinic – Separate Report").

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objections, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

HEALTH DEPARTMENT  
CLARK COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 13, 2012, with J. Michael Meyer, III, Administrator, and Betty J. Shields, Health Department Bookkeeper.

The contents of this report were discussed on December 12, 2012, with James Howard, DVM, Chairman of the Board of Health; Kevin R. Burke, M.D., Health Officer; J. Michael Meyer, III, Administrator; and Robert G. Bottorff II, Attorney.

The contents of this report were discussed on January 29, 2013, with Jack A. Coffman, President of the Board of County Commissioners; Barbara C. Hollis, President of the County Council; Kevin R. Burke, M.D., Health Officer; J. Michael Meyer, III, Administrator; and Robert G. Bottorff II, Attorney.

The Official Response has been made a part of this report and may be found on pages 14 and 15.



## **Clark County Health Department**

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

### **RESPONSE TO AUDIT RESULTS AND COMMENTS FOR JANUARY 1, 2012 TO DECEMBER 31, 2012**

A. The following changes were made to the job responsibilities of the bookkeeper.

1. Collections received from all programs deposited daily to health department bank account.
2. Track receipt numbers and compare to numbers in issued receipt books for collections from all programs. If receipt numbers out of order or missing or collections are not submitted daily contact program supervisor to find reason and report to administrator or Health Officer immediately.
3. Remit money with collection report from health department bank account to county auditor on monthly basis. (at least by 10 days after receiving bank statement).
4. Maintain cash book on a current basis.
5. Reconcile bank statement with cash book monthly.
6. List names of each individuals' checks and check numbers that are made with each bank deposit.
8. Properly complete and provide to auditor CAR report for the preceding year in January.
9. Obtain and file with bank statements optical images of checks written on the account.
10. Petty cash fund will be counted and the amount documented on a monthly basis. Receipts for petty cash will be claimed for reimbursement at least bi-monthly.
11. Submit grant invoices for reimbursement by the deadline specified in each grant.
12. Track grant reimbursements to assure payment received and credited to proper fund.
13. Analyze and monitor revenue and expenditures for all funds. Report variances to Administrator or Health Officer.



14. Provide monthly report of bank deposits, transfers from bank account to auditor, petty cash status and grant invoices submitted for reimbursement to Administrator and Health Officer.

B. Medicaid/Insurance Billing

1. Reports are being generated to track billing and compared to collections.
2. Working with software vendor to customize reports for accounts receivable controls.
3. Explanation of benefits will be attached to report of collections to identify persons and amounts the services were received for.

C. Service areas are using revised report of collection forms with year to date collection totals.

D. Service areas instructed to use only preprinted , department issued receipt books and attach voided original receipts to receipt books and provide explanation for void.

E. Service areas instructed to identify whether fees received were cash, check or money order and document on the receipt

Submitted by:



Kevin R. Burke M.D.  
Health Officer



J. Michael Meyer III  
Administrator

February 6, 2013