

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
GREENE COUNTY SOLID WASTE MANAGEMENT DISTRICT  
GREENE COUNTY, INDIANA  
January 1, 2012 to December 31, 2016



**FILED**  
03/23/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Erek Wilson (Vacant)	01-01-12 to 04-21-14 04-22-14 to 12-31-17
Fiscal Officer	Erek Wilson Michael E. Williams	01-01-12 to 04-21-14 04-22-14 to 12-31-17
President of the District Board	Jathan Wright Tim Turpin Hal Harp Ed Michael	01-01-12 to 12-31-12 01-01-13 to 04-21-14 04-22-14 to 12-31-14 01-01-15 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE GREENE COUNTY SOLID WASTE  
MANAGEMENT DISTRICT, GREENE COUNTY, INDIANA

This report is supplemental to our review report of the Greene County Solid Waste Management District (District), for the period from January 1, 2012 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Review Results and Comments that pertain to the Solid Waste Management District. It should be read in conjunction with our Financial Statements Review Report of the District, which provides our conclusion on the District's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Review Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Review Results and Comments, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

February 5, 2018

GREENE COUNTY SOLID WASTE MANAGEMENT DISTRICT  
REVIEW RESULTS AND COMMENTS

**BACKGROUND**

Erek Wilson (Wilson), former Director/Fiscal Officer, was hired by the District Board on September 1, 2008, to perform the duties of Director and Fiscal Officer and was employed through April 21, 2014. The Fiscal Officer duties are in compliance with the duties of Controller. We determined that receipts were written and collected by a number of employees at the District, but Wilson was responsible for reconciling written receipts to money received, preparing deposits, and depositing receipts to the bank.

As Fiscal Officer, Wilson was also responsible for preparing claims and itemized invoices for District Board approval. Claims or claim dockets were not signed by the District Board, but were properly itemized and signed by Wilson.

A controller selected under Indiana Code 13-21-3-10 shall do the following:

1. Be the official custodian of all district money and, subject to the terms of any resolution or trust indenture under which bonds are issued under IC 13-21, deposit and invest all district money in the same manner as other county money is deposited and invested under IC 5-13.
2. Be responsible to the board for the fiscal management of the district.
3. Be responsible for the proper safeguarding and accounting of the district's money.
4. Issue warrants approved by the board after a properly itemized and verified claim has been presented to the board on a claim docket.
5. Make financial reports of district money and present the reports to the board for the board's approval.
6. Prepare the district's annual budget.
7. Perform any other duties:
  - A. prescribed by the board; and
  - B. consistent with IC 13-21-3.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 4)

Only the chairperson or the chairperson's designee is required to sign claim forms. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 4)

**CASH RECEIPTS NOT DEPOSITED**

Receipts were written by employees for recycling services provided and paid for by individuals. Individual written receipts were designated as cash or check collections by the employees writing the receipts.

From January 9, 2012 to September 24, 2013, a total of \$2,844 of receipts written were designated as cash collections. During the same time period, \$1,399 of cash was deposited to the bank according to deposit slips prepared by Wilson. A total of \$1,445 in cash receipts were not deposited from January 9, 2012 to September 24, 2013.

GREENE COUNTY SOLID WASTE MANAGEMENT DISTRICT  
REVIEW RESULTS AND COMMENTS  
(Continued)

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the units. The deposit ticket or attached documentation must provide a detail listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

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 . . . in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

Wilson was requested to reimburse the District in the amount of \$1,445 for cash receipts not deposited. (See Summary of Charges, page 8)

***LACK OF SUPPORTING DOCUMENTATION***

On March 12, 2014, Wilson wrote check No. 9323 to himself for \$1,000 from the Equipment budget line item. This check was not supported by a claim or itemized invoice documenting the purpose of the expenditure. The check was not signed or approved by the District Board for payment.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for review 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 Special Districts, Chapter 1)

Only the chairperson or the chairperson's designee is required to sign claim forms. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 4)

Wilson was requested to reimburse the District in the amount of \$1,000 for lack of supporting documentation. (See Summary of Charges, page 8)

***INTERNAL CONTROLS***

Wilson was responsible for most aspects of the District's financial activities. These included: preparing checks, preparing claims, and preparing and making deposits of receipts.

Due to the lack of segregation of duties and the District Board review of expenditures, all cash receipts were not deposited and some expenditures without supporting documentation were able to occur and not be identified timely. The Director/Fiscal Officer and District Board did not set up a system of internal controls to ensure these deficiencies did not occur. As a result, there was no oversight of the District's financial activity on an ongoing basis by another official.

GREENE COUNTY SOLID WASTE MANAGEMENT DISTRICT  
REVIEW RESULTS AND COMMENTS  
(Continued)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

**BOND INFORMATION**

The District obtained the following employee Dishonesty Bond. This bond covers all employees hired by the District Board, which included Wilson. Attempts were made to obtain bond information on Wilson from January 1, 2012 through June 27, 2012, but information could not be verified.

<u>Bond Period</u>	<u>Amount</u>
06-28-12 to 06-28-15	\$ 100,000

**ADDITIONAL AUDIT COSTS**

The State of Indiana incurred additional audit costs totaling \$1,341.67 due to cash receipts not deposited and a lack of supporting documentation.

Audit costs incurred because of poor records, nonexistent records, or any other inadequate bookkeeping practices, or because of theft or a shortage may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Wilson was requested to reimburse the State of Indiana in the amount of \$1,341.67 for additional audit costs. (See Summary of Charges, page 8)

GREENE COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2018, with Michael E. Williams, Fiscal Officer; Ed Michael, President of the District Board; Roger L. Weaver, District Board member; Rick Graves, District Board member; Nathan L. Abrams, District Board member; Fred Markle, District Board member; Roy Terrell, District Board member; and John Wilkes, District Board member.

GREENE COUNTY SOLID WASTE MANAGEMENT DISTRICT  
SUMMARY OF CHARGES  
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	Charges	Credits	Balance Due
Erek Wilson, former Director/Fiscal Officer:			
Due Greene County Solid Waste Management District:			
Cash Receipts Not Deposited, pages 4 and 5	\$ 1,445.00	\$ -	\$ 1,445.00
Lack of Supporting Documentation, page 5	1,000.00	-	1,000.00
Total Due Greene County Solid Waste Management District	2,445.00	-	2,445.00
Due State of Indiana:			
Additional Audit Costs, page 6	1,341.67	-	1,341.67
Total Due State of Indiana	1,341.67	-	1,341.67
Total Due From Erek Wilson, former Director/Fiscal Officer	\$ 3,786.67	\$ -	\$ 3,786.67

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

AFFIDAVIT

STATE OF INDIANA )  
DAVIESS )  
COUNTY)

I, Jonathan H. Bennington, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Greene County Solid Waste Management District, Greene County, Indiana, for the period from January 1, 2012 to December 31, 2016, is true and correct to the best of my knowledge and belief.

Jonathan H. Bennington  
Field Examiner

Subscribed and sworn to before me this 19<sup>th</sup> day of March, 2018.

Misty Wanke  
Notary Public

My Commission Expires: 9-1-2021  
County of Residence: Knox

