



INSPECTOR GENERAL REPORT

2007-03-0068

February 6, 2009

INDIANA VETERANS HOME

Inspector General David O. Thomas, after an audit by the State Board of Accounts and the assistance of Special Agent Bud Allcron, reports as follows:

This case involves the Indiana Veterans' Home (IVH) as addressed in Indiana Code 10-17-9. It was previously an institution within the Indiana State Department of Health, but through legislation in 2008 is now managed through the Indiana Department of Veterans Affairs (IDVA). The IVH Superintendent is appointed by the Director of the IDVA. IC 10-17-9-3.5.

This case was brought to the attention of the Office of the Inspector General (OIG) by the State Board of Accounts (SBOA). The OIG consulted with the SBOA during the pendency of this review, but the resulting findings and recommendations are from the efforts of the SBOA.

The IVH is located in Lafayette, Tippecanoe County, Indiana. It is a licensed long-term care facility or nursing home, providing modern comprehensive health and residential care and independent living services.

Funding is provided in part by the United States Department of Veterans

Affairs.

The IVH is staffed with two full-time physicians and a variety of other health care specialists.

The OIG joins the SBOA in its findings elaborated upon in the attached SBOA Review Report, and recommends immediate implementation. The OIG stands ready to assist IVH should it have questions or require advice.

Dated this 6th day of February, 2009.



David O. Thomas, Inspector General

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

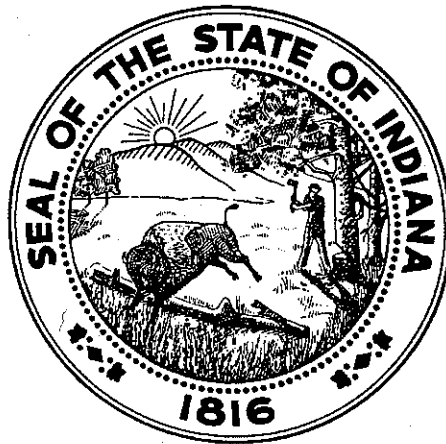
REVIEW REPORT

OF

INDIANA VETERANS' HOME

STATE OF INDIANA

July 1, 2006 to July 31, 2008



FILED
02/06/2009

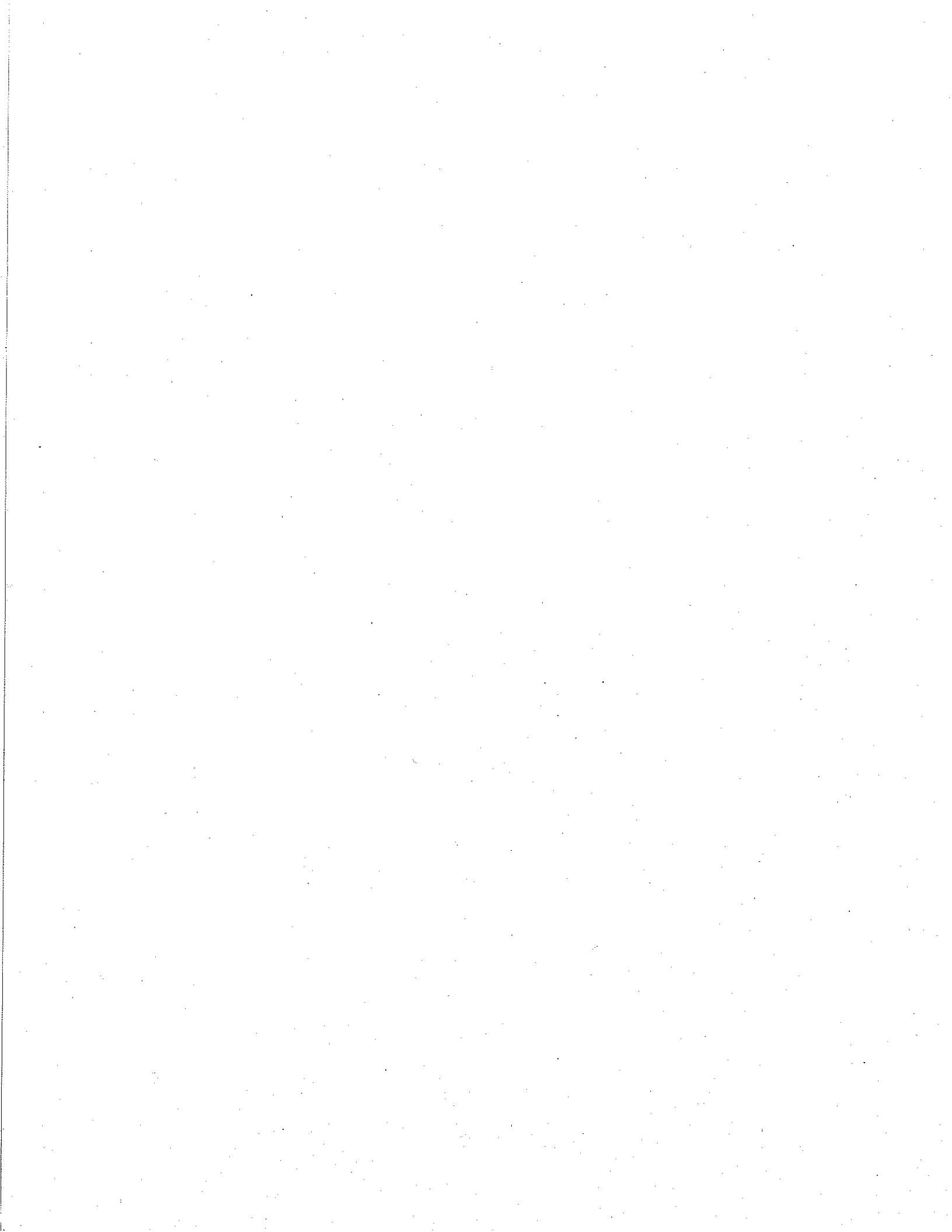
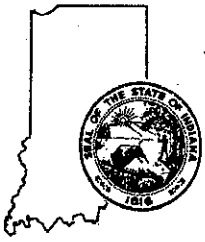


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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Indiana State Department of Health	Judith Monroe, M.D.	03-07-05 to 06-30-08
Executive Director, Indiana Department of Veterans Affairs	Charles T. Applegate	07-01-08 to 01-13-13
Superintendent	Robert Hawkins Jerome H. Horn Rodney Dunn (Interim) Antonio Stewart	07-16-95 to 11-30-06 12-01-06 to 09-09-08 09-10-08 to 11-30-08 12-01-08 to 06-30-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA VETERANS' HOME

We have reviewed the receipts, disbursements, and assets of the Indiana Veterans' Home for the period of July 1, 2006, to July 31, 2008. The Indiana Veterans' Home'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 Veterans' Home 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

October 7, 2008

INDIANA VETERANS' HOME
REVIEW COMMENTS
JULY 31, 2008

CHANGE IN OVERSIGHT

As of July 1, 2008, the Indiana Veterans' Home (IVH) was no longer an Indiana State Department of Health institution. The Indiana Department of Veterans Affairs became the oversight agency. This was codified by Public Law 21-2008, Section 5, which provides that the Director of the Indiana Department of Veterans Affairs (Director) shall appoint the Superintendent of the IVH, the Superintendent may be removed only by the Director, the Superintendent is administratively responsible to the Director, and the Director shall determine the Superintendent's salary, subject to the approval of the Governor and the State Budget Agency.

COMFORT AND WELFARE FUND

No Authority For Escrow Account

The Indiana Veterans' Home (IVH) Comfort and Welfare (C&W) Fund is used to account for the maintenance costs of residents. Upon admission to the IVH, residents agreed to apply their social security and other retirement checks towards their maintenance charge. The IVH deposits resident payments into a local depository entitled 'IVH Escrow (Escrow) Checking Account', an account which is outside the Auditor of State's accounting system.

Although some of the funds initially deposited into the Escrow account are subsequently allocated as resident Trust funds, we determined that over 90% of the monies deposited into the Escrow account were C&W funds. We found no statutory authority for the IVH to maintain the C&W Fund outside the Auditor of State system.

No funds may be accounted for outside the Auditor of State system without specific statutory authority. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Each agency, department, quasi, institution or office 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 managements' objectives, and compliance with laws and regulations. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

Escrow Interest Income

The Escrow account is an interest bearing account. On a yearly basis, the Indiana Veterans' Home (IVH) transferred the interest earned from that account into the IVH Recreation (Rec) Fund. This type of transaction is not appropriate if the interest is earned on State funds.

As we determined that 90% of the Escrow funds are considered State funds, then 90 % percentage of Escrow interest earned should be transferred to the State. For the period of January 1, 2008 through June 30, 2008, the Escrow account accrued interest of \$2,550.25 which had not yet been transferred to the Rec Fund.

Therefore, \$2,295.23 of interest earned for that period should be deposited as miscellaneous revenue into the IVH operating fund/center. Until the local Escrow account is included within the Auditor of State system, 90% of all subsequent months of earned Escrow interest should also be transferred timely into the IVH operating fund/center.

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IC 5-13-9-6(a) states: "All interest derived from an investment by a political subdivision or by any other local public officer under the authority granted by section 3 of this chapter shall be deposited, except as otherwise provided by law, in the general fund of the investment authority or in any other fund its governing body designates specifically or by rule, subject to the modifications and limitations in this section."

Disposition of Inactive Resident Accounts

In our review of the Comfort and Welfare funds, we noted that the Indiana Veterans' Home (IVH) had numerous inactive accounts receivable of discharged and deceased residents which all contained balances due the IVH for maintenance charges. Some of these former residents also had balances in their Trust accounts. We were provided a listing of 135 residents meeting these criteria.

The IVH is in the process of adopting new policies and procedures to process the disposition of these inactive accounts in a timely manner. The IVH Maintenance Collection Policy dated September 20, 2006, is now obsolete and should be updated with comprehensive close-out procedures of former resident balances in both their maintenance and/or Trust accounts.

Each agency, department, quasi, institution or office also has the responsibility to comply with their own internal policies and guidelines. These internal policies and guidelines cannot conflict with state or federal laws, state policies or procedures (including those in this manual) or other policies established by Department of Administration, Department of Personnel, or through the Financial Management Circulars. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

Building Fund Revenue

The Indiana Veterans' Home (IVH) is required to set aside a portion of the federal revenue received from the United States Department of Veterans Affairs for upkeep of the facility infrastructure. Twenty percent of the federal Comfort and Welfare deposits should be transferred to the IVH Building Fund for future capital expenditures.

As of September 30, 2008, we found that for fiscal year ending June 30, 2008, the IVH transferred only \$1,390.79 to the Building Fund. An additional \$927,234.96 should be transferred to be in compliance with state law.

IC 10-17-9-16(b) states in part, that: "Twenty percent (20%) of the money annually allowed by the government of the United States for a military veteran maintained in the home shall be deposited in the state general fund to the credit of the veterans' home building fund."

Each agency, department, quasi, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

Untimely Transfer of Comfort and Welfare Receipts

Comfort and Welfare receipts of the Indiana Veterans' Home (IVH) are initially deposited into the IVH Escrow bank account and subsequently transferred and deposited with the Treasurer of State and recorded into an IVH fund center at the Auditor of State.

INDIANA VETERANS' HOME
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(Continued)

We found that it sometimes took over seven weeks for the Comfort and Welfare receipts to be deposited with the Treasurer of State and recorded with the Auditor of State.

A delay in the deposit of revenue with the Treasurer of State results in a loss of interest revenue to the State and increases the possibility that funds could be misplaced or stolen.

Each agency, department, quasi, institution or office 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 managements' objectives, and compliance with laws and regulations. Among other things, safeguarding controls over cash is part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

TRUST FUND

Interest Allocations

Effective February 2000, a federal regulation mandated that interest earned on the Indiana Veterans' Home (IVH) resident Trust Funds in excess of \$100 should be credited to residents' individual Trust accounts. The IVH had deposited Trust Fund interest earned into the Recreation Fund from February 2000 through September 2007. The IVH subsequently determined that \$358,926.96 in accrued Trust Fund interest was to be withdrawn from the Recreation Fund and credited to all residents' Trust accounts who had Trust Fund monthly ending balances during this seven year period.

In October 2007, the IVH credited a total of \$120,852.76 to the Trust accounts with current, active, in-house status. As of October 7, 2008, the remaining \$238,074.20 had not been credited to those accounts whose status were other than current, active, in-house and remains in the Recreation Fund in an interest bearing savings account. Interest earned on the \$238,074.20 while in the Recreation Fund savings account should also be credited to those accounts.

The IVH also did not properly allocate Trust Fund interest earned to residents' individual Trust accounts for the period October 2007 through September 2008. The IVH calculated that it misallocated a total of \$12,723.65 in interest earned to those accounts with a status of current, active, in-house, resulting in an overpayment to these accounts. Trust accounts with a status of other than current, active, in-house which still had an account balance, did not receive any interest allocations and were still due a total of \$12,723.65. The IVH subsequently credited the accounts that did not receive the interest with funds from the Recreation Fund. Furthermore, we found at least one Trust account with a status of current, active, in-house that was not credited for any interest earned during this period.

38 CFR 51.70 states: "the facility management must deposit any residents' personal funds in excess of \$100 in an interest bearing account (or accounts) that is separate from any of the facility's operating accounts, and that credits all interest earned on resident's funds to that account. The facility management must maintain a resident's personal funds that do not exceed \$100 in a non-interest bearing account, interest-bearing account, or petty cash fund."

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. This includes opinions of the Attorney General of the State of Indiana and court decisions. Governmental units should file accurate reports required by federal and

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state agencies. Noncompliance with these requirements may require corrective action by the governmental unit and follow up by a federal or state agency. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

Institutions 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. Controls over recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and monthly reports, and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Outstanding Checks

During our review of the Trust Fund at the Indiana Veterans' Home, we found that the June 2008 outstanding checks list contained 10 checks totaling \$436.17, dating back to September 13, 2005, which had been outstanding for more than one year after issued.

IC 32-34-1-20, 32-34-1-26, and 32-34-1-27 provide that Trust Fund checks which have been issued and are outstanding for one year after they were written are presumed to be abandoned and are to be remitted to the Attorney General's Office as unclaimed property.

Financial Statements

The Indiana Veterans' Home did not properly complete the monthly financial statements for the Trust Fund. The year to date receipts amount on the Statement of Changes in Fund Balance on page one of the statement did not agree with the year to date Detail of Receipts on page two of the statement. On the monthly financial statement for the month ended June 30, 2008, the year to date amount per the Statement of Changes in Fund Balance was \$1,470,645.24 and the year to date amount per the Detail of Receipts was \$1,473,829.08, resulting in a difference of \$3,183.84.

Institutions should have internal controls in effect which provide reasonable assurance regarding reliability of financial information and records. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Cash on Hand

The Indiana Veteran's Home (IVH) Trust Department maintains \$25,000 cash on hand. IVH policy number A031005 revised August 16, 2006, states: "Sufficient Trust Funds in cash will be maintained in the Trust Department to provide for daily distribution of cash to Residents." We determined that during the last two years, the daily cash requirement of the Trust Fund averaged approximately \$1,000. We also found that checks from the Recreation Fund and Canteen Fund were written to the Trust Fund and cashed at the Trust Department instead of taken to the bank to replenish the Recreation and Canteen petty cash funds which further impacts the Trust Fund cash requirement. Given the daily Trust Fund activity, the \$25,000 cash on hand is too large. The excess amount would be better safeguarded and additional interest could be earned if maintained in a local depository.

Institutions 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, safeguarding controls over cash are part of the internal control system. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

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Each agency, department, quasi, institution or office also has the responsibility to comply with their own internal policies and guidelines. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

Petty cash should be replenished as necessary. When needed, a check should be made payable in the name of the person going to the bank. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Internal Controls Over Disbursements

The Indiana Veterans' Home (IVH) Trust Department allowed four residents to withdraw funds in excess of their Trust account balances. These negative balances did not result from a timing difference where maintenance checks were deposited into the bank but had not yet been credited to the appropriate resident account. The respective residents subsequently deposited funds into their accounts to cover the shortages.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and monthly reports, and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Institutions 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. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

RECREATION FUND

Restricted Funds

The Indiana Veterans' Home (IVH) did not maintain adequate accounting records and monthly financial statements for the Recreation Fund for monies that were restricted for specific purposes. We found that as of July 31, 2008, \$30,000 was restricted for resident bowling activities. The IVH did not maintain a ledger for the bowling fund and consequently had estimated the \$30,000 balance. We also noted that as of July 31, 2008, the IVH held \$238,074.20 in accrued Trust Fund interest due to residents in the Recreation Fund savings account which was not listed as a restricted asset on the Recreation Fund financial statement.

A complete record of all receipts and disbursements must be maintained in a Recreation Fund ledger. Subsidiary accounts for specific sources and/or uses of funds may be established for ease of accountability. If subsidiary accounts are maintained, transactions should be detailed to show the transaction date, type of transaction, check or receipt number, amount of transaction, and resulting balance on hand. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Institutions 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, all forms of information processing are part of the internal control system. Controls over the accounting for

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the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and monthly reports, and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

DONATED FUNDS ACCOUNT

Checks Deposited With the Treasurer of State

The Indiana Veterans' Home did not deposit all donated funds into the local depository selected by the Treasurer of State (TOS). While cash donations were deposited into the local depository account, donations in the form of a check were sent to the TOS via the United States Postal Service. The checks sent to the TOS were deposited up to 61 days late.

A delay in the deposit of revenue with the Treasurer of State results in a loss of interest revenue and increases the possibility that funds could be misplaced or stolen.

The Treasurer of State has established bank accounts for which agencies may directly deposit monies to the Treasurer of State. For agencies which deposit monies into a branch office of the depositories selected by the Treasurer, a receipt of deposit issued by the bank and a copy of the deposit slip are to be attached to the report of collections and forwarded to the Treasurer of State not later than the next business day following receipt of funds. This facilitates compliance with the daily deposit statute as well as safeguarding revenue. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 3)

IC 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

Internal Controls Over Opening Mail

During our testing of donated funds at the Indiana Veterans' Home, we learned that the mail was opened by one employee without the direct observation of another employee.

When mail is opened by one employee without the direct observation from another employee, the possibility that funds may be misplaced or stolen increases.

Controls over the receipting, 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 State and Quasi Agencies, Chapter 1)

Donated Funds Policy

The Indiana Veterans' Home (IVH) maintains a general donated funds fund/center on the Auditor of State's accounting system. Donations earmarked for a specific purpose are tracked by IVH maintained subaccounts, one of which is for the bowling donations. According to the IVH Donated Funds Policy

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A8101606: "All donations will be deposited and tracked using a state account titled 'General Donated Funds.'" We found that the IVH was not in compliance with this policy since a portion of the bowling donations was maintained in the Recreation Fund in a local depository outside of the Auditor of State accounting system.

Each agency, department, quasi, institution, or office also has the responsibility to comply with their own internal policies and guidelines. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

Institutions 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. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

SPECIAL DISBURSEMENT OFFICER (SDO)

Untimely Advance Reconciliations

The Indiana Veterans' Home (IVH) had not performed monthly reconciliations of its Operating, Preventative Maintenance, Donated Funds, and Comfort and Welfare Special Disbursing Officer (SDO) advances in a timely manner. Our review of the reconciliations revealed that the IVH prepared the reconciliations up to 20 months late.

Two reconciliations must be performed for the SDO Fund each month. The bank statement for the checking account must be reconciled to the check register. Also, the check register must be balanced to the total SDO advance. These reconciliations must be formally documented. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 7)

Improper Reconciliations

The Indiana Veterans' Home (IVH) had not properly prepared the bank and SDO reconciliations for its Operating and Comfort and Welfare Special Disbursing Officer (SDO) advances. The IVH's accounting records for the Operating and Comfort and Welfare SDO advances did not reconcile with the respective bank statements. The IVH used the amount per the bank statement instead of the amount per the check register. For the Operating SDO advance reconciliation, we found that as of June 30, 2008, the balance per the control ledger was \$30,573.27 while the balance per the bank reconciliation was \$29,750.00, resulting in a difference of \$823.27. For the Comfort and Welfare SDO advance reconciliation, we found that as of June 30, 2008, the balance per the control ledger was (\$1,253.35) while the balance per the bank reconciliation was \$23,954.27, resulting in a difference of \$25,207.62.

Each agency is responsible for maintaining an effective and accurate accounting system for subsidiary and supplementary records. At all times, the agency's manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank or Auditor's balance should agree. If reconciled bank or Auditor's balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

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Overage

The Comfort and Welfare Special Disbursement Officer (SDO) Fund at the Indiana Veterans' Home is maintained in an interest bearing checking account. The interest earned had not been transferred from the checking account and deposited as miscellaneous revenue with the Treasurer of State since September 2006. This result is a \$169.15 overage in the fund.

If the SDO fund is in an interest bearing account, any interest earned is to be deposited as miscellaneous revenue in a general fund fund/center. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 7)

Reconciliation Approvals

Our review of the SDO reconciliations at the Indiana Veterans' Home revealed that the reviews and approvals of the monthly SDO reconciliations were not formally documented on a consistent basis.

The reconciliation of the SDO advance must be formally documented at least monthly. The best control is provided when the reconciliation is prepared or reviewed by staff independent of the functions of preparing checks or maintaining the check register. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 7)

Amounts Advanced

The Preventative Maintenance and Donated Funds Special Disbursing Officer Fund (SDO) advances at the Indiana Veterans' Home were not turned over, or reimbursed completely, for several months during the review period.

If the SDO advance is not used within one or two months, then the SDO advance is too large and should be reduced. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 7)

BOND COVERAGE

The Indiana Veterans' Home did not have bond coverage in effect as required by IC 10-17-9-18.

IC 10-17-9-18 states: "The superintendent shall furnish an individual public official bond in an amount determined by the director [of the Indiana Department of Veterans Affairs], payable to the state and conditioned upon the faithful performance of the superintendent's duties."

RESTRICTIVE ENDORSEMENTS

The Indiana Veterans' Home did not restrictively endorse checks received for the Recreation and Donated Funds immediately upon receipt when opening the mail. The checks were not restrictively endorsed until the Business Office prepared the deposit.

When checks are not restrictively endorsed immediately upon receipt, the possibility that funds may be misplaced or stolen increases.

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Checks should be restrictively endorsed with an endorsement stamp, immediately upon receipt. This should occur upon opening the mail or otherwise receiving the instrument. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 3)

UNIDENTIFIED CASH FUND

The Indiana Veterans' Home (IVH) maintains a \$3,000 cash fund for purposes of a staff member to purchase goods outside the IVH campus on behalf of residents. The residents reimburse the fund for the goods and services, thus, replenishing the \$3,000 fund. The IVH does not account for the \$3,000 cash fund through any of its funds and the staff does not know the origin of the \$3,000. The IVH does not have statutory authority to maintain this fund outside of the Auditor of State accounting system or outside of their local funds.

No funds may be accounted for outside of the Auditor of State system without specific statutory authority. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

Institutions 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. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 13)

SUPPLEMENTATION OF APPROPRIATIONS

We found that the Indiana Veterans' Home (IVH) deposited \$1,136.61 in refunds for previous fiscal year expenditures as current year refunds. By recording these as refunds of current year expenditures, the IVH supplemented its State appropriations by the amount deposited.

A refund of expenditure can only be used if the original disbursement and the refund or collection are within the same fiscal year. If the collection is not received within the same fiscal year as the related expenditure, then the collection must be recorded as miscellaneous revenue. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 3)

DAILY DEPOSITS

The Indiana Veterans' Home did not consistently deposit Recreation Fund, Canteen Fund, and meal tickets receipts within the following business day.

When receipts are not deposited timely, the possibility that funds may be misplaced or stolen increases.

IC 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."