



Peter G. Mack, CPA, PFS, CFP
A limited liability company

My Bookkeeper
A limited liability company

December 3, 2014

Rev. Jeremy Gries
St. Mary Parish
512 North Perkins
Rushville, IN 46173

Dear Fr. Gries,

Enclosed is the completed Parish Internal Control Assessment Report. This is the formal report of all of the issues discussed during your assessment. One copy is bound with a second copy loose to allow you to make as many copies as your Parish requires.

If you have any questions or need clarification of any finding or recommendation, please contact me. It was a pleasure to work with your Parish.

Yours sincerely,

Peter G. Mack CPA, PFS, CFP

cc: Mr. Brian Burkert CPA

Rev. Jeremy Gries
St. Mary Parish
512 North Perkins
Rushville, IN 46173

Parish Internal Control Assessment Report

Purpose and Scope:

The purpose of the parish internal control assessment was solely to:

- 1) evaluate the effectiveness of the budgeting and financial reporting processes;
- 2) evaluate internal controls in place over accounting systems and operations at the Parish; and
- 3) ascertain the level of compliance with Federal and Indiana and regulations and/or the Archdiocesan Policy on Internal Control, as applicable.

We used the Archdiocese of Indianapolis Parish Internal Control Questionnaire and inquiry of parish personnel to identify significant internal control procedures over accounting systems and operations. Control procedures were tested, when deemed necessary to determine whether procedures complied with the Archdiocesan Policy on Internal Control and were being performed.

We reviewed the accounting records as of June 30, 2014.

Findings and Recommendations:

Cash Receipts-Tuition and Other Fees

- **Finding** No reconciliation is being made between tuition and fee records and general ledger postings and payments are received in multiple locations.
- **Recommendation** A reconciliation should be made at least monthly between amounts posted to fee and tuition records and the related general ledger accounts, and any discrepancies should be resolved. Tuition and fee payments should be received in one general location.

Plan of Action: This is a repeat finding. (1.)
ALTHOUGH WE AGREE THIS IS AN IMPORTANT CONTROL
THE COST TO IMPLEMENT THIS RECOMMENDATION
OUTWEIGHS THE FINANCIAL RISK AND AVAILABLE RESOURCES.

- **Finding** The school has segregated some of the cash collection function.
- **Recommendation** The After School Care Program and cafeteria should also involve at least two persons receiving cash.

Plan of Action: This is a repeat finding.
SEE (1) ABOVE.

- **Finding** The After School Care Program only issues receipts for payments made in the office.
- **Recommendation** Receipts should be issued for all payments.

Plan of Action:
SEE (1) ABOVE.

Cafeteria Operations

- **Finding** Receipts are only issued for payments made in the office.
- **Recommendation** Receipts should be issued for all payments.

Plan of Action:
SEE (1.) ABOVE.

Mass Stipends

- **Finding** At October 23, 2014, the account was under-funded by \$ 260.00.
- **Recommendation** The Parish should perform a reconciliation of this account at least annually. This under-funding should be corrected by the Parish issuing a check from the general fund to cover the shortage. A sample Mass stipend journal that could be used by the Parish that would aid in reconciling the account follows. This would also provide records of the amounts and dates paid to individual priests and reimbursed to the Parish.

Receipt Number	Date Received	Intention	Amount of Stipend	Date Offered	Offered By	Payment Check #
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Plan of Action: This is a repeat finding.
THIS ACCOUNT IS RECONCILED TWO TO THREE
TIMES PER YEAR. THE ISSUE IDENTIFIED WE
BELIEVE IS A TIMID ISSUE.

Cash Disbursements

- **Finding** Disbursements tested during the sample month included payment of sales taxes.
- **Recommendation** Sales tax should not be paid or reimbursed on any exempt purchase. The purchaser should present the tax-exempt number to the vendor at or before purchase.

Plan of Action: This is a repeat finding.
RECOMMENDATION IMPLEMENTED.

- **Finding** Invoices are not cancelled upon payment.
- **Recommendation** All invoices should be cancelled upon payment.

Plan of Action: This is a repeat finding.
THE CANCELLATION OF ALL INVOICES IS DONE THROUGH ALTERNATIVE RESOURCES.

Fundraising

- **Finding** Cash count sheets are not prepared for all fundraisers.
- **Recommendation** All Parish fundraising events should use cash count sheets that include the signatures of at least two unrelated counters and should be maintained with the financial records of the Parish.

Plan of Action: This is a repeat finding.
WE ARE IN AGREEMENT WITH THE RECOMMENDATION.

Fundraising (continued)

- **Finding** The inventory of unsold SCRIP is not present on the balance sheet.
- **Recommendation** The unsold SCRIP inventory should be included as a balance sheet asset.

Plan of Action:
AN INVENTORY WILL BE TAKEN EACH JUNE
AND ANY BALANCE WILL BE BOOKED TO
THE BALANCE SHEET AT JUNE 30, 2015.

- **Finding** Funds from the gaming account were transferred directly to the Parish general account in violation of Indiana gaming regulations.
- **Recommendation** The Parish should review allowable expenses that may be paid from the gaming account and limit payment to those items.

Plan of Action:
ALTHOUGH THIS WAS A ONE TIME INCIDENT,
WE AGREE WITH THE RECOMMENDATION.

Budgets and Financial Reporting

- **Finding** The reconciled cash balances include outstanding transactions from 2012.
- **Recommendation** Old reconciling items should be investigated and removed if stale.

Plan of Action:
WE AGREE WITH THE RECOMMENDATION.

Information Systems

- **Finding** No formal usage policies exist for the Parish computers.
- **Recommendation** Computer usage policies should be developed to deal with personal use of computers, games, virus scan of personal disks, illegally copied software, output disposal and cancellation upon termination of employment.

Plan of Action: This is a repeat finding.
WE AGREE WITH THE RECOMMENDATION.

- **Finding** There is no written inventory listing of Parish computers.
- **Recommendation** A formal inventory listing should be prepared.

Plan of Action: This is a repeat finding.
WE AGREE WITH THE RECOMMENDATION.

Assessment Response

Please complete your plan of action and return it to me within 45 days.



Peter G. Mack CPA, PFS, CFP
December 3, 2014