

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

AUDIT REPORT

OF

BOARD OF COUNTY COMMISSIONERS

DEARBORN COUNTY, INDIANA

January 1, 2005 to December 31, 2005



**FILED**

11/14/2006



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board of County Commissioners	Vera Benning Jeff L. Hughes	01-01-05 to 05-16-06 05-17-06 to 12-31-06
President of the County Council	Charles T. Fehrman	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DEARBORN COUNTY

We have audited the records of the Board of County Commissioners for the period from January 1, 2005 to December 31, 2005, 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 Dearborn County for the year 2005.

STATE BOARD OF ACCOUNTS

October 16, 2006

BOARD OF COUNTY COMMISSIONERS  
DEARBORN COUNTY  
AUDIT RESULTS AND COMMENTS

CREDIT CARDS

We found that various county departments are making purchases using credit cards which they obtained themselves rather than using the credit cards authorized by the Board of County Commissioners.

The Dearborn County credit card policy provides for the following:

1. Credit cards will be used only in the conduct of Dearborn County business or to purchase property for the County.
2. The Board of Commissioners, or their designee, is responsible for oversight of credit card issuance and use.
3. Prior to issuance of the credit card, the requesting appointed or elected official will specify in writing the proposed use of the card, the estimated amounts to be charged, and verify the availability of funds in the budget for the office making the expenditures.
4. The Board of Commissioners, or their designee, will maintain a log which includes the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, the date the card is issued and the date the card is returned.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Counties, Chapter 1)

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

BOARD OF COUNTY COMMISSIONERS  
DEARBORN COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

(7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.

(8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Counties, Chapter 1)

CUMULATIVE CAPITAL DEVELOPMENT FUND DISBURSEMENTS

Ordinance No. 8-1993 states that the purpose of the Cumulative Capital Development Fund is for construction, repairs, or improvements of bridges, jails, and parks. Some examples of items purchased from this fund and the amounts paid are as follows:

Sheriff Law Enforcement Supplies	\$ 7,960
Soil and Water Conservation Programs	13,000
Prosecutor Office Furniture	9,875
Jail Kitchen Items	25,295
County Agent Office Equipment	13,356
Law Library	14,818

There was no evidence presented for audit that a declaration of an emergency was declared by the County Commissioners to expand the use of the fund.

Indiana Code 36-9-14.5-8(c) states:

"Money held in the cumulative capital development fund may be spent for purposes other than the purposes stated in section 2 of this chapter, if the purpose is to protect the public health, welfare, or safety in an emergency situation that demands immediate action or to contribute to an authority established under IC 36-7-23. Money may be spent under the authority of this subsection only after the county executive:

- (1) issues a declaration that the public health, welfare, or safety is in immediate danger that requires the expenditure of money in the fund; or
- (2) certifies in the minutes of the county executive that the money is contributed to the authority for capital development purposes."

BOARD OF COUNTY COMMISSIONERS  
DEARBORN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2006, with Jeff L. Hughes, President of the Board of County Commissioners.