

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

AUDIT REPORT  
OF  
COUNTY AUDITOR  
DUBOIS COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**  
08/22/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Martha A. Wehr Janet L. Sendelweck	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the County Council	Gregory A. Kendall	01-01-07 to 12-31-08
President of the Board of County Commissioners	John G. Burger	01-01-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DUBOIS COUNTY

We have audited the records of the County Auditor for the period from January 1, 2007 to December 31, 2007, 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 Dubois County for the year 2007.

STATE BOARD OF ACCOUNTS

July 15, 2008

COUNTY AUDITOR  
DUBOIS COUNTY  
AUDIT RESULTS AND COMMENTS

OVER/UNDER PAYMENT COMPENSATION

Due to calculation errors made by the Payroll Clerk, the Custodial Assistant received more compensation than what was approved in the salary ordinance and the Drug Court Coordinator received less compensation than what was approved in the drug court grant and budget. The overpayment of \$1,583.53 occurred during the months of July through December 2007. The overpayment will be repaid over the months of June through December 2008. The underpayment of \$1,600 occurred during the months of January through December 2007. The underpayment was corrected on March 31, 2008.

Due to a calculation error made by Health Department personnel, the Health Preparedness Coordinator received more compensation than what was approved in the salary ordinance. The overpayment of \$186.75 occurred during payroll periods ended December 15, 2007 and December 31, 2007. The overpayment was repaid through the forfeiture of compensatory time earned in the amount of 10.5 hours. The hourly rate does not appear to have been recomputed by the payroll clerk.

All compensation and benefits paid to officials and employees must be included in a labor contract, salary ordinance, resolution or salary schedule adopted by the governing board unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 18)

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

LEAVE BENEFITS

Payroll records indicated that employees used sick and personal leave time and were paid for that time prior to earning the time-off.

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

PAYROLL

Our testing of the payroll system revealed the following deficiencies:

1. Employee Service Record (General Form 99A) was not adequately maintained for all employees tested; not all contained necessary information.
2. Employee Service Records did not always reflect the normal work schedule and exceptions to the normal work schedule were not documented as to what hours were worked.
3. Not all employees whose work schedule varied from day to day maintained time sheets to reflect what hours were worked.
4. Vacation and sick leave taken per the employee service records was not always recorded, as such, on the payroll vouchers of each department.

COUNTY AUDITOR  
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AUDIT RESULTS AND COMMENTS  
(Continued)

5. Payroll vouchers were not always signed by department heads.

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 County Auditors, Chapter 14)

CONFLICT OF INTEREST

Paul Knies, owner of PEK and board member of the Local Emergency Planning Commission (LEPC), provided printing services for the LEPC. A Uniform Conflict of Interest Disclosure Statement does not appear to have been filed.

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony. . . ."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant. . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6)."

"(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase. . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant. . . ."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is: (A) un-emancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (1/2) of whose support is provided during a year by the public servant."

COUNTY AUDITOR  
DUBOIS COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

INTERNAL CONTROLS

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient:

The Auditor issued one check for the full amount of the 2007 appropriation from the County Drug Free Community Fund as an advance payment to the Dubois County Substance Abuse Council. A review of County Council and Commissioners minutes and inquiries of a contract and periodic financial reports of the services provided by the organization designated by the Board of County Commissioners to carry out the purposes of the fund revealed there was no contract and this arrangement did not appear to have been monitored.

In 1990, a County Drug Free Community Fund was established in each county to promote comprehensive local alcohol and drug abuse prevention initiatives by supplementing local funding for treatment, education and criminal justice efforts.

As always, the recipients of these funds shall enter into a contractual agreement with the County Commissioners stating:

1. They will use the funds to provide services and activities contained in the plan;
2. The recipient will file periodic financial reports of the services and activities provided; and
3. Will be subject to an audit by the State Board of Accounts. (The County Bulletin and Uniform Compliance Guidelines Volume 345, Pages 6-7)

Inquiries and observation revealed that the Dubois County Substance Abuse Council (SAC) Coordinator, a contract employee of the SAC, was also an employee of the Dubois County Health Department. Time records documenting what hours were worked for each were not presented for audit. Further investigation revealed that services of the SAC coordinator overlapped with hours charged the county as an employee of the county health department.

Indiana Code 5-11-9-4(b) states in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the public agency."

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 County Auditors, Chapter 15)

COUNTY AUDITOR  
DUBOIS COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not adequately itemized. Payments were made from statements only.
- (2) Contracts were not presented for audit.

Indiana Code 5-11-10-1.6(c) states: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the governmental entity's fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

COUNTY AUDITOR  
DUBOIS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 15, 2008, with Martha A. Wehr, prior Auditor; Janet L. Sendelweck, Auditor; John G. Burger, President of the Board of County Commissioners; and Jerry Hunefeld, County Council member. The officials concurred with our audit findings.