

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

AUDIT REPORT

OF

AUDITOR

FOUNTAIN COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

09/09/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Colleen Chambers	01-01-05 to 12-31-08
President of the County Council	Ron Howard	01-01-07 to 12-31-08
President of the Board of County Commissioners	Lowell M. Osborn Terry Ellingwood	01-01-07 to 09-16-07 09-17-07 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FOUNTAIN COUNTY

We have audited the records of the 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 Fountain County for the year 2007.

STATE BOARD OF ACCOUNTS

June 5, 2008

AUDITOR  
FOUNTAIN COUNTY  
AUDIT RESULTS AND COMMENTS

APPROVAL OF JAIL PROJECT CLAIMS

At the request of County Council and Jail Task Force members, we reviewed disbursements to RQAW (\$32,283.14), London Witte Group (\$15,286.86) and Barnes and Thornburg (\$15,566.90) for preliminary work completed on the proposed jail building project. These disbursements were not officially approved by the Board of County Commissioners before payments were made. The claims were processed and payments were made on November 9, 2006. The Board of County Commissioners approved the amounts on the monthly claim list on December 4, 2006.

Some County Council members and Jail Task Force Committee members believed there was an agreement with these companies which would not require payment unless the design phase of the project was completed. However, there were no signed contracts with these companies indicating when payments for services rendered would be made. In addition, the minutes of the County Commissioners, County Council and Jail Task Force Committee did not indicate any representations made by representatives of these companies.

As of the report date, the County does not have a contract or agreement for a new jail building.

Indiana Code 5-11-10-2(a) states in part: "Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Auditors, Chapter 14)

PAYROLL

Our testing of the payroll system revealed the following deficiencies for the Health Department:

1. The Health Officer, a seven year employee, is entitled to 10 days vacation per year. According to the employee service record for 2007, he was paid for 11.
2. Per the Employee Handbook, "Earned vacation must be taken." The Administrative Clerk did not take any vacation. Records indicate she has accrued 104 days of vacation. The Public Health Coordinator has accrued 36.5 days at year end. Full-time employees will not be paid more than one year's worth of vacation leave when they leave County employment.
3. Only full-time employees are entitled to leave time. One part-time Sanitarian Clerk was paid for two holidays and two weeks of vacation leave.
4. Our testing indicated that the part-time Sanitarian Clerk claimed travel on 21 days in which he documented no hours worked on his time sheet. Of the 21 days, travel was claimed on two holidays and one vacation day.

All county employees are required to follow the Fountain County Employee Handbook concerning leave time and travel policies. Also, 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)

AUDITOR  
FOUNTAIN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 5, 2008, with Colleen Chambers, Auditor.