

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

AUDIT REPORT

OF

COUNTY HIGHWAY

LAPORTE COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED

11/25/2009

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Public Works Project	4
Collection of Amounts Due	4-5
County Highway Department Purchases	5
Exit Conference.....	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Robert Young	01-01-08 to 12-31-09
President of the County Council	Mark Yagelski	01-01-08 to 12-31-09
President of the Board of County Commissioners	William Hager Barbara Huston	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the County Highway for the period from January 1, 2008 to December 31, 2008, 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 LaPorte County for the year 2008.

STATE BOARD OF ACCOUNTS

October 21, 2009

COUNTY HIGHWAY
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

PUBLIC WORKS PROJECT

On June 20, 2008, the County paid a contractor \$139,660 for the Wiley Road intersection improvements' contract. For this public works project, the Board of Commissioners did not prepare specifications, advertise for sealed bids, or award a bid at a public meeting.

IC 36-1-12-4(a) states in part:

"This section applies whenever the cost of a public work project will be: (1) at least seventy-five thousand dollars (\$75,000) in: (A) a consolidated city or second class city; or (B) a county containing a consolidated city or second class city; or (c) a regional water or sewage district established under IC 13-26; or (2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1)."

IC 36-1-12-4(b) states in part:

"The board must comply with the following procedure: (1) the board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. . . . (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3). (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed. . . ."

COLLECTION OF AMOUNTS DUE

On May 20, 2008, the County issued check 131264 to pay Rieth-Riley \$30,725.20 for 22% of a contract for the Wiley Road intersection improvements. On June 20, 2008, the County issued check 133222 to pay Rieth-Riley \$139,660 or 100% of the contract for the Wiley Road intersection improvements. Check 133222 was issued in the amount of \$236,846.90 because it included other amounts for another project.

We discussed this apparent overpayment with the County Highway Department Bookkeeper and Superintendent and also with an official from Rieth-Riley. Explanations provided to us were that Rieth-Riley issued a credit memo for \$30,725.20, which we observed. But officials could not show us where any check paid by the County to Rieth-Riley was reduced for this credit memo.

Upon further inquiry, the Rieth-Riley official provided us with a worksheet showing that the credit balance was reduced by purchases made from November 20, 2008 to March 30, 2009. We observed invoices that supported these purchases and these purchases were confirmed by the County Highway Department Bookkeeper. A final refund check was paid by Rieth-Riley to the County on April 15, 2009, quietus 87719, \$11,623.13.

COUNTY HIGHWAY
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY HIGHWAY DEPARTMENT PURCHASES

On June 20, 2008, the County overpaid Rieth-Riley \$30,725.20 for a road project. This overpayment was corrected by the County Highway Department purchasing material from Rieth-Riley. The 16 invoices to support these purchases totaled \$19,744.85 and were dated from November 20, 2008 to March 30, 2009, and ranged from \$271.70 to \$2,460.70. A final refund check was paid to the County in April 2009 and another purchase was adjusted.

None of these purchases were listed on an accounts payable voucher form, Co Form 17. None of these purchases were approved by the County Auditor or the Board of County Commissioners.

Form 17 is required to be used for the payment of all claims against the county. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 7)

It is the duty of the county auditor after auditing each claim or voucher to certify to the correctness of the claim or voucher in the space provided thereon before such claim or voucher is submitted to the board of county commissioners for its consideration or, in the case of other claims or vouchers, before such claims or vouchers are paid. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 7)

No claim or voucher shall be allowed by the board of county commissioners unless such claim or voucher has been duly itemized. The board of county commissioners shall examine the merits of all claims or vouchers so presented and may, in its discretion, allow such claim or voucher, in whole or in part, as they may find to be valid. [IC 36-2-6-2] It is unlawful for any board of commissioners of any county or for any member thereof to make any allowance or to allow any claim or voucher against the county, or order the issuance of any county warrant for the payment of any sum of money, except at a regular or special session of the board. [IC 36-2-6-4] (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 7)

COUNTY HIGHWAY
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October, 21, 2009, with Robert Young, Superintendent. The official concurred with our audit findings.

The contents of this report were discussed on October 27, 2009, with Craig Hinchman, Auditor; Barbara Huston, President of the Board of County Commissioners; and Rich Mrozinski, Jr., Vice President of the County Council.