

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

AUDIT REPORT

OF

COUNTY COMMISSIONERS

FAYETTE COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED

07/26/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board of County Commissioners	Richard Pflum, Jr.	01-01-10 to 12-31-11
President of the County Council	Duane Risselman Ronald Cox	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FAYETTE COUNTY, INDIANA

We have audited the records of the County Commissioners for the period from January 1, 2010 to December 31, 2010, 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 Result(s) and Comment(s). The financial transactions of this office are reflected in the Annual Report of Fayette County for the year 2010.

STATE BOARD OF ACCOUNTS

June 20, 2011

COUNTY COMMISSIONERS
FAYETTE COUNTY
AUDIT RESULT(S) AND COMMENT(S)

**FEDERAL AND STATE AGENCIES – COMPLIANCE REQUIREMENTS – ARRA
ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM**

A Davis-Bacon and Related Acts Compliance and Monitoring report dated January 17, 2011, was issued by an Independent Auditor in accordance with the Statement on Standards for Consulting Engagements established by the American Institute of Certified Public Accountants.

Davis-Bacon and Related Acts (DBRA) requirements apply to contractors and subcontractors performing on federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair of public buildings or public works. DBRA Contractors and Subcontractors must pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. Contractor communication and coordination with Subcontractors and Partners will help ensure compliance and avoid fines. The ultimate responsibility for following DBRA requirements falls on the Grantee regardless of duties passed on to Contractors and Subcontractors.

All documentation must be retained according to Davis-Bacon found in Title 40, United States Code and may be requested for review by the Indiana Office of Energy Development (OED) or authorized Contractors at any time. The documentation detail should provide an audit trail that begins with contract procurement and file requirements, the daily timekeeping records and culminates with the payroll and fringe benefits incurred being paid to the eligible employees weekly.

The review of Certified Payroll Reports (CPR) is to ensure compliance with the requirements of Davis-Bacon and Related Acts. The intent is to ascertain errors in inappropriate wage determinations, classifications, rate of pay, deductions, and/or other computations. Other important compliance initiatives include the following:

- Ensuring compliance with all labor standards requirements
- Early detection and correction of any labor compliance issues
- Sufficient documentation of the labor standards compliance activity
- Identifying training needs
- Issuing email notification of deficiencies and solicit corrective actions plans

The independent auditor reviewed two CPR's and issued the following two findings:

1. Certified payroll records were not delivered in 10 working days as stipulated.
2. Grantee did not submit a signed original payroll form.

Corrective actions have been implemented. Grantee must ensure all future certified payrolls will be submitted within 10 days after payroll week ending date. Grantee must resubmit signed, original certified payroll form.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 14)

COUNTY COMMISSIONERS
FAYETTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2011, with Richard Pflum, Jr., President of the Board of County Commissioners; Ronald Cox, President of the County Council; and Debra Shaw Kidd, County Auditor. The officials concurred with our audit finding.