

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

AUDIT REPORT

OF

COUNTY HIGHWAY DEPARTMENT

PUTNAM COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED

09/19/2011

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Stephanie Campbell	01-01-09 to 12-31-12
Highway Co-Supervisor	Jim D. Smith	01-01-10 to 12-31-11
President of the County Council	Darrel L. Thomas	01-01-10 to 12-31-11
President of the Board of County Commissioners	Gene Beck	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PUTNAM COUNTY

We have audited the records of the County Highway Department 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 and Comment. The financial transactions of this office are reflected in the Annual Report of Putnam County for the year 2010.

STATE BOARD OF ACCOUNTS

July 13, 2011

COUNTY HIGHWAY DEPARTMENT
PUTNAM COUNTY
AUDIT RESULT AND COMMENT

DEPOSITING RECEIPTS

The County Highway Department regularly sells scrap metal to local scrap yards; the proceeds are usually receipted into the Cumulative Bridge Fund. As evidenced by receipts issued by the scrap yard, on July 30, 2010, Jim Smith, Highway Co-Supervisor, sold three loads of scrap metal obtained from the "Put. Co. Hwy. scrap pile" (quoted from the scrap yard documentation). The pictures included with the documentation for the sale were of three large culvert pieces, with various other items in the background of each picture. The total amount received in cash, per the receipts issued by the scrap yard for the three loads, was \$522. On August 11, 2010, a receipt was posted to the Cumulative Bridge Fund in the amount of \$179.80 in cash for the sale of scrap. The scrap yard receipt attached to the County receipt was one of the three issued on July 30, 2010. The balance of \$342.20 received for the sale of scrap on July 30, 2010, was not receipted to the County records.

Per inquiry of Jim Smith, he indicated that the balance of the funds received was used to purchase snacks and drinks for the department "snack fund." He stated that many of the items turned in on July 30, 2010, were picked up from the side of the road throughout the work day by Highway Department personnel, and he believed the receipts for the sale of those items could be used for the snack fund.

The Highway Department Co-Supervisor reimbursed the County \$342.20, payment in full, on June 29, 2011 (Receipt 079164). The receipt was posted to the Cumulative Bridge Fund.

IC 5-13-6-1 requires all public funds shall be deposited not later than the business day following the receipt of funds on business days of the depository.

The statute also provides public funds deposited shall be deposited in the same form in which they were received. This simply means all daily receipts received by the political subdivision must be deposited intact. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 6)

COUNTY HIGHWAY DEPARTMENT
PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2011, with Jim D. Smith, Highway Co-Supervisor; Stephanie Campbell, Auditor; and Kristina Warren, Board of County Commissioners member. The officials concurred with our audit finding.