

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

EXAMINATION REPORT
OF
COUNTY AUDITOR
PIKE COUNTY, INDIANA
January 1, 2010 to December 31, 2010



FILED

10/06/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Contracts	4
Expense Reimbursement Itemization	4
Payroll	4-6
Compensatory Time and Overtime Policy	6
Exit Conference	7

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Teresia Faye Leslie Ronald K. Wilson	01-01-2007 to 12-31-2010 01-01-2011 to 12-31-2014
President of the County Council	Sharon Booth Gregory K. Willis	01-01-2010 to 12-31-2010 01-01-2011 to 12-31-2011
President of the Board of County Commissioners	Dale Nalley Mark Flint	01-01-2010 to 12-31-2010 01-01-2011 to 12-31-2011



STATE OF INDIANA
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TO: THE OFFICIALS OF PIKE COUNTY

We have examined the records of the Auditor 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 Examination Results and Comments. The financial transactions of this office are reflected in the Annual Report of Pike County for the year 2010.

STATE BOARD OF ACCOUNTS

June 27, 2011

COUNTY AUDITOR
PIKE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONTRACTS

Payments totaling \$5,100 were made to the director of Commission to End Drug Abuse (CEDA) for administrative services in 2010 without a contract. As of March 3, 2011, a contract was in place.

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 County Auditors of Indiana, Chapter 14)

EXPENSE REIMBURSEMENT ITEMIZATION

Records presented for examination included claims for reimbursement totaling \$564 for lodging for more than one individual in the Assessor's department. Detailed documentation was not attached to the information presented for reimbursement which would enable a determination that all expenses were for employees conducting governmental business.

Records presented for examination included claims for reimbursement totaling \$139.89 for meals that did not have detailed itemized receipts for documentation for the Probation and Sheriff's Departments.

There was one claim in the amount of \$241.11 which did not have the supporting, itemized receipts attached. The claim was paid from a statement from Pamida to the Extension Service Department.

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with Indiana Code 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

PAYROLL

Our testing of payroll revealed several instances of noncompliance which are listed below.

1. Advance Payments

During the testing of payroll, it was noted that salaried employees are being paid "to date" and that the hourly employees are being paid on a two week delayed basis. This practice results in the salaried employees being paid in advance of the pay period ending date.

This advance payment practice was discussed in the two previous periods.

COUNTY AUDITOR
PIKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

The unit is in the process of changing all employees, salary and hourly, to a two week delay for payroll. The unit plans to have all employees converted to the two week delay for payroll by December 31, 2011.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

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

2. Records of Hours Worked

Employees were paid salaries from more than one fund and/or department. A record of hours worked for each was not presented for examination.

Several employees did not provide record of hours worked to the payroll clerk as support for the payroll voucher. Therefore the department supervisors were not verifying and signing off the hours worked for these employees for the corresponding pay period.

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 same public agency . . ."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manuals for County Auditors of Indiana, Chapter 14)

3. Ordinances and Resolutions

The County adopted the 2010 Salary and Wage ordinance in September 2009; however, the County did not pay according to the approved salary and wage ordinance for 2010.

The County approved several changes to salary and wages for 2010 prior to the adoption in September 2009. However, none of the approved changes were reflected in the 2010 Salary and Wage Ordinance when it was approved in September 2009.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

4. Payroll Prescribed Forms

1. For those employees who had service records, not all contained necessary information.

COUNTY AUDITOR
PIKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

2. Time cards are not being used properly. No clocking in and out for lunch or other leaving of workstation.
3. Payroll time sheets were not always maintained or 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 of Indiana, Chapter 14)

COMPENSATORY TIME AND OVERTIME POLICY

A compensatory time or overtime policy was presented for examination as a part of the County employee handbook. However, the employee handbook pertaining to overtime/compensatory time does not state who is eligible for compensatory time.

In many of the County departments, the compensatory time is being maintained by the individual employees. Per the employee handbook, compensatory time is to be pre-approved by the immediate supervisor; this procedure is not being followed. Also, in many cases, the employees are not having the supervisors sign off on the compensatory time when it is submitted at the end of the payroll period.

The employee manual states that for the purpose of computing overtime/compensatory time, only hours actually worked are counted. Holiday pay or sick pay hours are not included as hours worked when calculating overtime/compensatory time. This policy is not being followed.

Each governmental unit should adopt written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing board would be considered as written policy. The policy should conform to the requirements of all state and federal regulatory agencies. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
PIKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 27, 2011, with Ronald K. Wilson, Auditor; Mark Flint, President of the Board of County Commissioners; and Michael L Goodpaster, Deputy Auditor. The officials concurred with our examination findings.

The contents of this report were discussed on June 27, 2011, with Gregory K. Willis, President of County Council.