

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

AUDIT REPORT

OF

COUNTY AUDITOR

CASS COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
05/24/2012

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Vaneen M. Ide	01-01-09 to 12-31-12
President of the County Council	Ralph Anderson Brian Reed George Stebbins	01-01-11 to 07-14-11 07-15-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	David Arnold	01-01-11 to 12-31-12



STATE OF INDIANA
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TO: THE OFFICIALS OF CASS COUNTY

We have audited the records of the County Auditor for the period from January 1, 2011 to December 31, 2011, 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 Cass County for the year 2011.

STATE BOARD OF ACCOUNTS

April 9, 2012

COUNTY AUDITOR
CASS COUNTY
AUDIT RESULT AND COMMENT

PUBLIC WORKS CONTRACT OVERPAYMENT

On February 21, 2012, the County made final payment to Jack Isom Construction by releasing the retainage in the amount of \$53,219.03. With this final payment, the original contract of \$346,637 was overpaid by \$8,156.54. When the Highway Superintendent was asked about a change order to cover the overage he stated, "There were some minor over-runs in asphalt and pave-prep membrane. I do not have a change order for those. . . ."

Upon closer review of the Applications for Payment from the contractor, it was determined that six separate items detailed on the contract exceeded the contract amount and two items were less than the original contract. These difference totaled \$8,639.64 in additional expenses and (\$483.10) in charges less than the original contract. Since the Contractor did not file change orders for these differences, we are asking County officials to seek reimbursement from Jack Isom Construction for \$8,156.54, the net difference between the original contract and actual payments made by the County.

If, in the course of construction, reconstruction or repair of a public work project, it becomes necessary to change or alter the original specifications, a change order may be issued to add, delete, or change an item or items in the original contract. All change orders must be directly related to the original public work project. The change order becomes an addendum to the contract and must be approved and signed by the board and the contractor. (Accounting and Uniform Compliance Manual for Counties of Indiana, Chapter 8)

Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Manual for Counties of Indiana, Chapter 1)

COUNTY AUDITOR
CASS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 9, 2012, with David Arnold, President of the Board of Commissioners; George Stebbins, President of the President; and Vaneen M. Ide, Auditor. The official response has been made a part of this report and may be found on page 6.

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Plan of Action: Public Works Contract

The Auditor's office will put into place the procedure of handling all awarded bids as if the funds were additional appropriations. This will eliminate any errors in overpayments, unless change orders accompany the invoice amounts.