

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

AUDIT REPORT
OF
COUNTY HIGHWAY DEPARTMENT
STARKE COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
09/10/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: County Highway Scrap Sales	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Highway Superintendent	Steve Siddall	01-01-11 to 12-31-12
President of the County Council	Mark C. Smith Dave Pearman	01-01-11 to 12-31-11 01-01-12 to 12-31-12
President of the Board of County Commissioners	Daniel D. Bridegroom Kathryn Norem	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF STARKE COUNTY

We have audited the records of the County Highway 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of Starke County for the year 2011.

STATE BOARD OF ACCOUNTS

August 14, 2012

COUNTY HIGHWAY
STARKE COUNTY
AUDIT RESULT AND COMMENT

COUNTY HIGHWAY SCRAP SALES

Until the Board of County Commissioners entered into an agreement with Howard Coffin (Howard) on May 21, 2012, there was only a verbal agreement with Howard for Howard to keep any proceeds from sale of County scrap in exchange for Howard providing towing services to the County. Scrap tickets provided to the County Auditor show that Howard & Sons picked up 25,240 pounds of County scrap in 2011 and 38,280 pounds in 2010. No documentation was provided for our audit showing the value of this scrap. No documentation was provided to us showing the towing services provided to the County. No reconciliation of scrap value compared to towing services value was provided for our audit.

The May 21, 2012 agreement requires that Howard Coffin, contractor, provide on a quarterly basis, or more frequently, written reports listing all vehicles towed, including the value of the service. The agreement also requires the contractor to provide on a quarterly basis, or more frequently, written reports listing the tonnage of scrap metal collected by contractor from Starke, including proceeds from the sale of scrap.

The July 16, 2012 Board of County Commissioners' meeting minutes' draft, RE: County Hwy Dept. Scrap Metal Agreement Quarterly Reconciliation Report, shows that "Commissioner Bridegroom advised no scrap metal had been taken to the scrap yard, and there were no towing of county vehicles by Howard & Sons."

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY HIGHWAY
STARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 13, 2012, with Kathryn Norem, President of the Board of County Commissioners, and with Dave Pearman, President of the County Council. On August 14, 2012, this report was discussed with Steve Siddall, Highway Superintendent. The officials concurred with our audit finding.