

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

AUDIT REPORT
OF

COMMON COUNCIL
CITY OF GARY
LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
01/02/2013

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	M. Celita Green	01-01-11 to 12-31-12
Mayor	Rudolph Clay, Sr Karen Freeman-Wilson	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Common Council	Ronier Scott Kyle W. Allen	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 CITY OF GARY

We have audited the records of the Common Council 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 City of Gary for the year 2011.

STATE BOARD OF ACCOUNTS

September 6, 2012

COMMON COUNCIL
CITY OF GARY
AUDIT RESULT AND COMMENT

OVERPAYMENT COLLECTIONS – COMMON COUNCIL

Due to a calculation error by staff in the Common Council office, the Council members were paid in excess of the approved salary ordinance. This resulted in individual overpayments of \$1,102.76 to each of the nine council members for 2011, totaling \$9,924.84 for the council as a whole. The detection of the overpayment calculation did not occur until after the February 24, 2012 payroll. The error from 2011 carried forward to the first four pay periods of 2012 and affected both current and former members of the council. The 2012 overpayments ranged from \$46.03 to 138.09 per member, totaling \$1,242.81 for the council as a whole.

The current council members instituted repayment plans in July 2012 after being notified of the salary overpayments. The Council President sent letters via certified mail to the two former Council members requesting repayment. Repayments or other correspondence regarding repayment has not been received from the two former Council members, as of September 6, 2012. We are requesting that Shirley Stanford and Ragen Hatcher, former Council members, each reimburse the City \$1,148.79 for salary overpayments they received in 2011 and 2012.

On September 21, 2012, Shirley Stanford, former Council member entered into a repayment plan for \$1,148.79 with the City. On September 25, 2012 the City issued receipt no. 273047 for \$1,148.79 for the repayment received in full from Ragen Hatcher, former Council member.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COMMON COUNCIL
CITY OF GARY
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2012, with Mary Brown, Council member; Karen Freeman-Wilson, Mayor; M. Celita Green, Controller; and B.R. Lane, Chief of Staff. The officials indicated that they would be responding to the report but no officials response was received.