

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

EXAMINATION REPORT
OF
COUNTY COMMISSIONERS
TIPTON COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
04/17/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Madonna Alderson	01-01-11 to 12-31-11
	Scott Friend	01-01-12 to 12-31-12
	Dennis Henderson	01-01-13 to 12-31-13
President of the Board of County Commissioners	Mike Cline	01-01-11 to 12-31-13



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AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF TIPTON COUNTY

We have audited the records of the County Commissioners 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 Tipton County for the year 2011.

STATE BOARD OF ACCOUNTS

January 14, 2013

COUNTY COMMISSIONERS
TIPTON COUNTY
EXAMINATION RESULT AND COMMENT

PURCHASE OF AND DISPOSITION OF ASSETS

In April of 2011, the County purchased two lawn mowers for \$11,935 for the purpose of maintaining the County 4-H grounds. The purchase order documenting the purchase indicated that the Tipton County 4-H Fair Board, Inc., was the customer listed not Tipton County. Information was provided by officials indicating that the County's Capital Improvement plan (plan) included the following project:

"PROJECT 55 – Tipton County Fairground Improvements and Maintenance-

Project Summary:

This is a project that continues the work and improvements of the Tipton County Fairgrounds. The Tipton County Fair Board has indicated that it has a need to purchase a piece of equipment to help maintain the grass at the fairgrounds. Estimated Cost of the Project: \$12,000. This will be a "one time" expenditure in the first year of the Plan."

The plan also contained the following:

"This Plan is intended for adoption by the Board of Commissioners of Tipton County in conformance with INDIANA CODE Section 6-3.5-7. It is intended to supplement the Commissioners' previous plans. The term of this Plan is for three years, from January 1, 2011 through December 31, 2013. This Plan will cover only the projects for which distributions have been certified. This Plan should not be considered as final approval for expenditures on any of these specific projects. The timing of performance of the project and final approval of release of funds must be obtained by specific application to the County Commissioners."

We did not find any information in the board minutes of the County Commissioner's meetings that indicated that a specific application was presented to the County Commissioners for the final approval of the release of funds. The officials were not able to provide any documentation of an Interlocal agreement or contract with the Tipton County 4-H Fair Board, Inc. regarding the purchase and ownership of the mowers.

Also, Tipton County Ordinance 2010-02 states in part:

"(B) A purchasing agent that intends to purchase personal property or obtain work on public works projects in which the transaction is estimated to be \$10,000 or more shall obtain at least three (3) separate quotes from reputable and reliable sources that usually and customarily supply such personal property or provide such construction services for public works projects and . . . (F) The purchase of personal property with a value equal to or greater than excess of \$10,000 shall be presented to the Board of Commissioners for review and approval."

COUNTY COMMISSIONERS
TIPTON COUNTY
EXAMINATION RESULT AND COMMENT
(Continued)

We did not find any information to support that quotes were obtained for the purchase of these mowers.

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

Indiana Code 36-1-7-2 states:

"(a) A power that may be exercised by an Indiana political subdivision and by one (1) or more other governmental entities may be exercised:

- (1) by one (1) or more entities on behalf of others; or
- (2) jointly by the entities.

Entities that want to do this must, by ordinance or resolution, enter into a written agreement under section 3 or 9 of this chapter.

(b) Notwithstanding subsection (a), Indiana governmental entities that want only to buy, sell, or exchange services, supplies, or equipment between or among themselves may enter into contracts to do this and follow section 12 of this chapter."

Per IC 36-1-7, before the interlocal agreement takes effect, the agreement must be recorded with the county recorder. Not later than sixty (60) days after the agreement takes effect, the agreement **must** be filed with the state board of accounts for audit purposes. (The County Bulletin and Uniform Compliance Guidelines, July, 2009)

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY COMMISSIONERS
TIPTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 23, 2013 with Jane Harper, County Commissioner. The official response has been made a part of this report and may be found on page 7.

The contents of this report were discussed on January 23, 2013. with Phil Herron, County Commissioner, and Gregg Townsend, County Auditor.

The contents of this report were discussed on January 24, 2013, with Mike Cline, President of the Board of County Commissioners.

February 15, 2013
Indiana State Board of Accounts

OFFICIAL RESPONSE to Audit Results and Comments by Jane Harper,
Tipton County Commissioner 2009-2012

Unit Examined: Tipton County Commissioners

Period Examined: January 1, 2011 to December 31, 2011

Date of Second Conference: January 23, 2013

RE: PURCHASE AND DISPOSITION OF ASSETS

Although I am in agreement with the focus of this review, I take exception to the fact that there is no language in the Audit results and comments indicating that I had no involvement in the actions taken by the other two commissioners. Throughout the report, there are references made to "the Board of Commissioners" stating that several improper procedures were performed by that Board, yet the report never mentions that there is public record indicating that Commissioner Jane Harper was not privy to the actions taken by the other two outside of a meeting and objected vehemently when made known of the circumstances. If left in this form, one would conclude that I was just as guilty as the other two, when in fact I did not participate in the improper actions. I, as a Tipton County Commissioner, had no knowledge of the purchase of the lawnmowers until I saw the claim on May 9th in a public meeting. I voted against the claim. I brought to the attention of the other two (Mike Cline and Phil Heron) that they had acted improperly, and that they had ignored specific procedures outlined in the county's CIP Plan and also in the provisions of Ordinance #2010-02 regarding the county's policy for purchasing property.

Therefore, I submit the above to be included as a part of the official report.

Jane Harper

Tipton County Commissioner, 2009-2012