

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
COUNTY HIGHWAY DEPARTMENT  
OHIO COUNTY, INDIANA  
January 1, 2005 to December 31, 2005



**FILED**  
09/21/2006



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Highway Superintendent	Ronald York	01-01-05 to 12-31-06
President of the County Council	Douglas A. Baker	01-01-05 to 12-31-06
President of the Board of County Commissioners	Connie J. Brown	01-01-05 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF OHIO COUNTY

We have examined the records of the County Highway Department for the period from January 1, 2005 to December 31, 2005, 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 Examination Report of Ohio County for the year 2005.

August 10, 2006

STATE BOARD OF ACCOUNTS

COUNTY HIGHWAY DEPARTMENT  
OHIO COUNTY  
EXAMINATION RESULTS AND COMMENTS

RECEIPT ISSUANCE

Receipts were not being issued for the sale of culverts.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

REMITTANCE OF COLLECTIONS

The Highway Clerk remits monies collected to the County Treasurer for deposit once a month.

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

COST RECORDS

Cost records for the various road projects performed during the year have been established by the Highway Department. In reviewing the records presented for audit it was noted that cost records only contained copies of invoices for materials purchased and rental of equipment used. The records did not contain any documentation on the cost of labor of the highway employees who worked on the project and the cost of any highway trucks or equipment used. Also, the cost records did not contain a summary sheet or page showing the total dollar amount of expenses incurred on the project.

Since the County Highway Department performs road construction projects using their own work force, accurate cost records need to be maintained, in order, that the County Officials have the necessary information to comply with the Public Works statutes. Indiana Code 36-1-12-3(a) makes reference to public works projects that are estimated to be less than one hundred thousand dollars (\$100,000) and the unit uses its own workforce. Under this statute the cost of a project will include the actual cost of materials, labor, equipment, rentals, reasonable rate for use of trucks and heavy equipment owned, and all other incidental expenses.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY HIGHWAY DEPARTMENT  
OHIO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2006, with Shane Koons, Commissioner; Ronald York, Highway Superintendent; Angel Siekman, Highway Clerk; and Deborah K. Thomason, Auditor.