

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

AUDIT REPORT

OF

COUNTY COMMISSIONERS

MONROE COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

10/31/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Mark Stoops Sophia Travis	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Joyce B. Poling	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MONROE COUNTY

We have audited the records of the County Commissioners 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 Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Monroe County for the year 2005.

STATE BOARD OF ACCOUNTS

August 2, 2006

COUNTY COMMISSIONERS
MONROE COUNTY
AUDIT RESULTS AND COMMENTS

LEAVE AND OVERTIME POLICY

The Highway union contract does not specify when highway employees accrue vacation leave.

Each governmental unit should adopt written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing board would be considered as written policy. The policy should conform to the requirements of all state and federal regulatory agencies. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 18)

PERSONNEL POLICY

The County has a policy concerning employees eligible for accrual of compensatory time. The policy also states accrual limitations of 60 hours for eligible employees. However, time sheets presented for audit reflected noneligible employees accruing compensatory time off. It was also noted that some employees exceeded the 60 hour limitation.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

HOLDING CORPORATION

Monroe County entered into a lease agreement with the Monroe County Jail, Law Enforcement and Governmental Space Building Corporation on June 15, 1982, for the purchase of the Justice Building. The final lease payment was due July 1, 2004, but was paid December 31, 2003. The building corporation's final bond payment was due July 1, 2004. Per the lease agreement, upon the final lease payment, Monroe County fulfilled all requirements to the building corporation.

As of June 14, 2006, the building corporation had not been dissolved and is holding approximately \$6,000 of excess lease payments that has not been returned to Monroe County.

Per the Articles of Incorporation of Monroe County Jail, Law Enforcement and Governmental Space Building Corporation Article II Section 1 states: "The Corporation is organized solely for the purpose of acquiring, owning, and holding in fee simple land upon which a jail, law enforcement and governmental space building is to be erected, erecting thereon a suitable jail and building to house a law enforcement agency or agencies and other governmental offices including the necessary equipment and appurtenances thereof, leasing the same to the County of Monroe, Indiana, and/or other governmental unit, collecting the rentals there for and applying the proceed thereof in a matter consistent with Indiana Public Law No. 72 of the Acts of 1974 (Indiana Code of 1971, Chapter 36-1-10), entirely without profit to the corporation, its officers, directors, subscribers and members, other than the return of capital actually invested."

COUNTY COMMISSIONERS
MONROE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Section 2 (d) states: "Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation to Monroe County, Indiana or, if there is more than one governmental agency leasing space from said Corporation, then to each of said governmental agencies in proportion to the space occupied by each as bears to the total space leased."

DRUG BUY FUND

The County has a drug buy fund that has not been established by the adoption of a home rule ordinance in accordance with Indiana Code 36-1-3. No guidelines could be found regarding the expenditures from the drug buy fund.

The following procedures should be followed in handling such funds:

- (1) Under Indiana Code 36-1-3 an ordinance should be passed allowing this type of program and associated expenditures;
- (2) An appropriation for such purpose should be provided in the manner authorized by state statutes;
- (3) Petty cash fund procedures are followed as authorized by Indiana Code 36-1-8-3; and
- (4) A minimum documentation procedure to be followed, similar to either;
 - (a) Guidelines for Confidential Expenditures, Appendix J, Indiana Criminal Justice Planning Agency Financial Guide; or
 - (b) Guidelines for Withdrawal of Money and Reporting Procedures of Enforcement Aid Fund Moneys, Indiana State Police Department.

(County Bulletin and Uniform Compliance Guidelines, Volume 332, April 2001)

COUNTY COMMISSIONERS
MONROE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2006, with Iris Kiesling, County Commissioner; Sue West, County Council; Herb Kilmer, County Commissioner; William Steger, County Attorney; Margie Rice, County Attorney; Barbara M. Clark, County Treasurer; Joyce B. Poling, President of the Board of County Commissioners; Marty Hawk, County Council; and Sophia Travis, President of the County Council.