

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

EXAMINATION REPORT
OF
COUNTY HIGHWAY DEPARTMENT
CRAWFORD COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/29/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Compensation and Benefits.....	4
Timely Recordkeeping	4
Payroll Deficiencies	5
Annual Operational Report for Local Road and Streets	5
Exit Conference	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Highway Superintendent	Richard Brown Vacant Farrell Crawford	01-01-04 to 06-23-05 06-24-05 to 07-23-06 07-24-06 to 12-31-06
President of the County Council	David Jones Jerry Brewer	01-01-04 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Randy Gilmore	01-01-04 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF CRAWFORD COUNTY

We have examined the records of the County Highway Department for the period from January 1, 2004 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 Crawford County for the years 2004 and 2005.

STATE BOARD OF ACCOUNTS

September 20, 2006

COUNTY HIGHWAY DEPARTMENT
CRAWFORD COUNTY
EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

The County Highway Clerk, Donna Jones, received compensation during 2004 for personal leave and for unearned compensatory time that was not allowable per the County's Policy and Procedure Manual. The Clerk maintained a service record for the audit period, showing vacation, personal, and sick leave, as well as compensatory time earned and used. These service records did not always agree with the time sheets, which resulted in unearned leave and compensatory time being used for which compensation was received.

This resulted in the following overpayments to the Clerk which was not included on the salary ordinance or resolution:

<u>Year</u>	<u>Unearned and Compensated for:</u>		
	<u>Personal</u>	<u>Compensatory Time</u>	<u>Totals</u>
2004	\$ <u>40.80</u>	\$ <u>617.10</u>	\$ <u>657.90</u>

In addition, the County Highway Department compensated employees for their balance of compensatory time as of January 15, 2005 through a buyout dated February 1, 2005. Due to computational errors these buyouts, resulted in one employee that was underpaid and four employees that were overpaid. The County Auditor has been requested to compensate the employee underpaid and obtain a refund of compensation from the four employees overpaid.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

As of December 7, 2006, all of the above referenced overpayments have either been repaid to the County or the individuals have signed agreements with the County Auditor's office to have their 2006 leave balances reduced by the appropriate amounts to correct the overpayments.

TIMELY RECORDKEEPING

As of September 2006, we noted that none of the 2006 County Highway Department records have been recorded in the County Highway Supervisor's Ledger.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY HIGHWAY DEPARTMENT
CRAWFORD COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

PAYROLL DEFICIENCIES

During the testing of the payroll system for the Highway Department, the following deficiencies were noted:

- (1) Vacation and personal leave taken per the employee's time sheet was not always recorded properly on the employee's service record and the payroll schedule.
- (2) Compensatory leave earned and taken per the employee's time sheet was not always recorded properly on the employee's compensatory record and the payroll schedule.
- (3) Payroll time sheets were not always signed by department heads.
- (4) Sick and personal leave earned and not taken per the employee's service record was sometimes accrued to the next year, which did not comply with the County's Policy and Procedure Manual.
- (5) Vacation leave earned and not taken per the employee's service record was sometimes accrued in excess of five (5) days to the next year, which did not comply with the County's Policy and Procedure Manual.

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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

ANNUAL OPERATIONAL REPORT FOR LOCAL ROADS AND STREETS

The 2005 Annual Operational Report for Local Roads and Streets was presented for audit; however, Section V – Equipment Inventory, was not a complete list of equipment.

Indiana Code 8-17-4.1-6 concerning annual operational reports, states in part: ". . . must disclose all information considered necessary by the state board of accounts to reflect the financial condition and operations of the department."

COUNTY HIGHWAY
CRAWFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2006, with Farrell Crawford, Highway Superintendent; and Donna Jones, Highway Clerk.