

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

AUDIT REPORT

OF

COUNTY AUDITOR

WHITLEY COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**

05/22/2008



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Linda J. Gerig	01-01-07 to 12-31-10
President of the County Council	William Overdeer Thomas Western	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	James Pettigrew Tom Rethlake	01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF WHITLEY COUNTY

We have audited the records of the County Auditor for the period from January 1, 2007 to December 31, 2007, 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 Whitley County for the year 2007.

STATE BOARD OF ACCOUNTS

April 17, 2008

COUNTY AUDITOR  
WHITLEY COUNTY  
AUDIT RESULTS AND COMMENTS

TRAVEL POLICY

The County's travel policy states that the County will not pay for various travel related costs, such as valet services and room service. Various credit card claims were paid during the audit period that included both valet parking and room service.

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)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
Health	\$ 17,907
Family and Children	13,574

A similar comment appeared in prior Report B30015.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CREDIT CARDS

Numerous credit card claims were paid which included meal expenses without itemized receipts attached to the claim.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.

COUNTY AUDITOR  
WHITLEY COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

BOARD MINUTES

The County Council met in a budget work session on August 7, 2007. Several items of action were voted upon, including the reinstatement of longevity paid to elected officials in 2007. The proceedings of this meeting were not included in the official minutes maintained for County Council.

Indiana Code 5-14-1.5-4(b) states in part:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under IC 5-1.5-2-2.5."

COMPENSATION OF ELECTED OFFICIALS

On August 7, 2007, County Council voted to reinstate longevity to elected officials for 2007. This additional compensation was not included in the original 2007 salary ordinance. Longevity totaling \$9,500 was paid to 16 elected officials on November 26, 2007.

COUNTY AUDITOR  
WHITLEY COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-2-5-13 states:

"(a) Except as provided in subsection (b), the compensation of an elected county officer may not be changed in the year for which it is fixed. The compensation of other county officers, deputies, and employees or the number of each may be changed at any time on:

- (1) the application of the county fiscal body or the affected officer, department, commission, or agency; and
- (2) a majority vote of the county fiscal body.

(b) In the year in which a newly elected county officer takes office, the county fiscal body may at any time change the compensation for holding the county office for that year if:

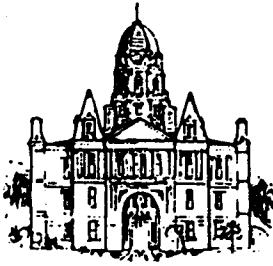
- (1) the county officer requests the compensation change or, in the case of the county executive body, a majority of the county executive body requests the change; and
- (2) the county fiscal body votes to approve the change."

The 2007 elected officials that received longevity pay were requested to reimburse Whitley County.

The County Officials have agreed to reimburse the County by deducting the \$9,500 from the 2008 longevity pay. Any amount not reimbursed will be charged in the next audit.

COUNTY AUDITOR  
WHITLEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 17, 2008, with Linda J. Gerig, Auditor; April Whetstone, Deputy Auditor; Tom Rethlake, President of the Board of County Commissioners; and Thomas Western, President of the County Council. The official response has been made a part of this report and may be found on page 8.



*Linda J. Gerig*

Auditor, Whitley County  
Whitley County Government Center  
220 W. Van Buren St., Ste. 207  
Columbia City, IN 46725

April 17, 2008

State Board of Accounts  
302 West Washington Street  
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**Corrective Action Plan**

I am aware that the payment of Longevity Pay to elected officials in 2007 violated Indiana Code 36-2-7-2.

The situation will be corrected in November, 2008 by deducting amounts received in 2007 from those elected officials' Longevity Pay.

*Linda J. Gerig*  
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Linda J. Gerig, Auditor

*Tom Rethlake*  
\_\_\_\_\_  
Tom Rethlake, Chairman  
Whitley County Commissioners

*Thomas E. Western*  
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Thomas E. Western, Chairman  
Whitley County Council