

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

AUDIT REPORT

OF

COUNTY AUDITOR

DEARBORN COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/24/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Salary Ordinances	4
Exit Conference.....	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Cary B. Pickens	01-01-07 to 12-31-10
President of the County Council	Charles T. Fehrman	01-01-07 to 12-31-08
President of the Board of County Commissioners	Jeff L. Hughes	01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DEARBORN 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 Dearborn County for the year 2007.

STATE BOARD OF ACCOUNTS

August 14, 2008

COUNTY AUDITOR
DEARBORN COUNTY
AUDIT RESULTS AND COMMENTS

SALARY ORDINANCES

We found the following deficiencies regarding the approval of compensation:

1. The 2007 Salary Ordinance approved by the County Council set an annual salary for County Highway employees. We identified five Highway Department employees that were paid compensation less than the salary amount approved in the salary ordinance.

County officials stated that the highway employees were actually paid at an hourly rate rather than a salary.

We recommended the salary ordinance be prepared in a manner so the method of compensation approve (salary vs. hourly) agrees to the method the compensation is to be paid. This is necessary to determined that compensation paid is in compliance with the amount or rate of compensation approved.

Indiana Code 36-2-5-11(c) states in part:

"At its annual meeting under IC 36-2-3-7(b)(2), the county fiscal body shall consider the statements and recommendations submitted by the county executive under section 4(b) of this chapter and shall then adopt an ordinance, separate from those adopted under subsection (b), fixing:

- (1) the compensation of all officers, deputies and other employees subject to this chapter . . ."

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)

2. The Salary Ordinance approved by the County Council did not include compensation for the Animal Control Department's part-time employee.

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. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 5)

COUNTY AUDITOR
DEARBORN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2008, with Cary B. Pickens, Auditor.