

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

AUDIT REPORT
OF
BOARD OF COUNTY COMMISSIONERS
VERMILLION COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
09/05/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Public Works Project in Excess of \$100,000	4
Public Works Project in Excess of \$75,000	4
Exit Conference	5

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Michael A. Carty	01-01-11 to 12-31-12
President of the Board of County Commissioners	Tim J. Wilson	01-01-11 to 12-31-12



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 VERMILLION COUNTY

We have audited the records of the Board of County Commissioners for the period from January 1, 2011 to December 31, 2011, 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 Vermillion County for the year 2011.

STATE BOARD OF ACCOUNTS

August 9, 2012

BOARD OF COUNTY COMMISSIONERS
VERMILLION COUNTY
AUDIT RESULTS AND COMMENTS

PUBLIC WORKS CONTRACT IN EXCESS OF \$100,000

A public works contract was awarded for the installation of a deceleration lane at the White Construction property for \$286,616.73. Retainage was not withheld from payments to the contractor and placed in an escrow account.

Indiana Code 36-1-12-14(b) states in part:

"A board that enters into a contract for public work, and a contractor who subcontracts parts of that contract, shall include in their respective contracts provisions for the retainage of portions of payments by the board to contractors, by contractors to subcontractors, and for the payment of subcontractors. At the discretion of the contractor, the retainage shall be held by the board or shall be placed in an escrow account with a bank, savings and loan institution, or the state as the escrow agent. The escrow agent shall be selected by mutual agreement between board and contractor or contractor and subcontractor under a written agreement among the bank or savings and loan institution and: (1) the board and the contractor; or (2) the subcontractor and the contractor."

PUBLIC WORKS PROJECT IN EXCESS OF \$75,000

The unit was not in compliance with the Public Purchase Law and Public Works Law. The County sought quotes for fencing at the jail but the project came in over \$75,000 which would require that it be let as a Public Works Project in compliance with Public Purchase Law and Public Works Law.

Prior to July 1, 2012, Indiana Code 36-1-12-4(a) stated in part:

"This section applies whenever the cost of a public work project will be: (1) at least seventy-five thousand dollars (\$75,000) in: (A) a consolidated city or second class city; or (B) a county containing a consolidated city or second class city; or (c) a regional water or sewage district established under IC 13-26; or (2) at least fifty thousand dollars (\$50,000) in a political subdivision or an agency not described in subdivision (1)."

Indiana Code 36-1-12-4(b) states in part:

"The board must comply with the following procedure: (1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. . . . (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3). (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with IC 5-3-1 calling for sealed proposals for the public work needed. . . ."

BOARD OF COUNTY COMMISSIONERS
VERMILLION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2012, with Tim J. Wilson, President of the Board of County Commissioners. The official concurred with our audit findings.