

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WELLS COUNTY, INDIANA

January 1, 2020, to December 31, 2020



**FILED**

11/08/2021



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lisa K. McCormick	01-01-20 to 12-31-21
County Treasurer	Kathy J. Peeper	01-01-20 to 12-31-21
Clerk of the Circuit Court	Beth J. Davis	01-01-20 to 12-31-21
County Sheriff	Scott A. Holliday	01-01-20 to 12-31-21
County Recorder	Carolyn C. Bertsch	01-01-20 to 12-31-21
President of the Board of County Commissioners	Blake C. Gerber	01-01-20 to 12-31-21
President of the County Council	Michael K. Mossburg Steven R. Huggins	01-01-20 to 12-31-20 01-01-21 to 12-31-21



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF WELLS COUNTY, INDIANA

This report is supplemental to our audit report of Wells County (County), for the period from January 1, 2020 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

November 1, 2021

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BOARD OF COUNTY COMMISSIONERS  
WELLS COUNTY

BOARD OF COUNTY COMMISSIONERS  
WELLS COUNTY  
AUDIT RESULT AND COMMENT

**PUBLIC PURCHASE**

*Condition and Context*

On April 6, 2020, the Board of County Commissioners (County Commissioners) adopted Wells County Ordinance 2020-08, *An Ordinance of the Wells County Board of Commissioners Amending County Ordinance 98-11 and Authorizing the Procedure of Indiana Code Section 5-22-9 et seq. to Award Contracts by Use of Request for Proposals or "RFP."* On April 20, 2020, the County Highway Director purchased a grader for \$280,000 without properly performing the RFP process and then submitted the claim to the County Auditor for payment. The County Commissioners did not approve the purchase prior to the actual purchase being made, make public notice, or request for proposals for the grader.

Per Wells County Ordinance No. 2020-01 *An Ordinance Establishing A Capital Asset Policy Detailing The Threshold At Which An Item Is Considered A Capital Asset: "(A) Capital Assets. Assets that have a useful life of a least two years and have a cost greater than \$5,000."*

Per the *WELLS COUNTY ETHICS POLICY/INTERNAL CONTROLS/MATERIALITY DECLARATION*, approved on April 4, 2016: "Any fixed asset purchase must be authorized by the Board of Commissioners. . . . A fixed asset is an item or a series of items having a value of \$5,000 or more."

*Criteria*

Each 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)

Indiana Code 5-22-9-1 states: "Subject to the policies of the purchasing agency, a purchasing agent may award a contract using the procedure provided in this chapter."

Indiana Code 5-22-9-2 states:

"The purchasing agent shall solicit proposals through a request for proposals, which must include the following:

- (1) The factors or criteria that will be used in evaluating the proposals.
- (2) A statement concerning the relative importance of price and the other evaluation factors.
- (3) A statement concerning whether the proposal must be accompanied by a certified check or other evidence of financial responsibility, which may be imposed in accordance with rules of the governmental body.
- (4) A statement concerning whether discussions may be conducted with responsible offerors, who submit proposals determined to be reasonably susceptible of being selected for award."

BOARD OF COUNTY COMMISSIONERS  
WELLS COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

Indiana Code 5-22-9-3(a) states: "The purchasing agency shall give public notice of the request for proposals in the manner required by [IC 5-3-1](#)."

Indiana Code 5-22-9-4 states: "Proposals must be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation."

Indiana Code 5-22-9-5 states:

"(a) A register of proposals must be:

- (1) prepared; and
- (2) open for public inspection after contract award.

(b) The register of proposals must contain the following:

- (1) A copy of the request for proposals.
- (2) A list of all persons to whom copies of the request for proposals were given.
- (3) A list of all proposals received, which must include all of the following:
  - (A) The names and addresses of all offerors.
  - (B) The dollar amount of each offer.
  - (C) The name of the successful offeror and the dollar amount of that offeror's offer.
- (4) The basis on which the award was made.
- (5) The entire contents of the contract file except for proprietary information included with an offer, such as, trade secrets, manufacturing processes, and financial information that was not required to be made available for public inspection by terms of the request for proposals."

Indiana Code 5-22-9-6 states: "As provided in the request for proposals or under the rules or policies of the governmental body, discussions may be conducted with, and best and final offers obtained from, responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award."

Indiana Code 5-22-9-7(a) states: "Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the governmental body, taking into consideration price and the other evaluation factors set forth in the request for proposals."

BOARD OF COUNTY COMMISSIONERS  
WELLS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 1, 2021, with Lisa K. McCormick, County Auditor; Blake C. Gerber, President of the Board of County Commissioners; Michael K. Vanover, County Commissioner; and Steven R. Huggins, President of the County Council.

COUNTY AUDITOR  
WELLS COUNTY

COUNTY AUDITOR  
WELLS COUNTY  
AUDIT RESULT AND COMMENT

**SALES TAX PAID ON PURCHASES**

*Condition and Context*

The County paid sales tax on purchases in several instances. We identified sales tax paid in the sum of \$615 during the audit period.

*Criteria*

Sales taxes that are paid on qualifying purchases by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

COUNTY AUDITOR  
WELLS COUNTY  
EXIT CONFERENCE

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