

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PIKE COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
07/13/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Judith Gumbel	01-01-21 to 12-31-22
County Treasurer	Susan Brittain	01-01-21 to 12-31-22
Clerk of the Circuit Court	Lana Griffith	01-01-21 to 12-31-22
County Sheriff	Kent Johnson	01-01-21 to 12-31-22
County Recorder	Jeff Harting	01-01-21 to 12-31-22
President of the Board of County Commissioners	Mark Flint	01-01-21 to 12-31-22
President of the County Council	Jon Craig	01-01-21 to 12-31-22



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 PIKE COUNTY, INDIANA

This report is supplemental to our audit report of Pike County (County), for the period from January 1, 2021 to December 31, 2021. 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/.

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.

Beth Kelley, CPA, CFE
Deputy State Examiner

June 27, 2022

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COUNTY AUDITOR
PIKE COUNTY

COUNTY AUDITOR
PIKE COUNTY
AUDIT RESULT AND COMMENT

RESTRICTED MOTOR VEHICLE HIGHWAY FUND DISBURSEMENTS

The same comment also appeared in prior Reports B57885 and B57889.

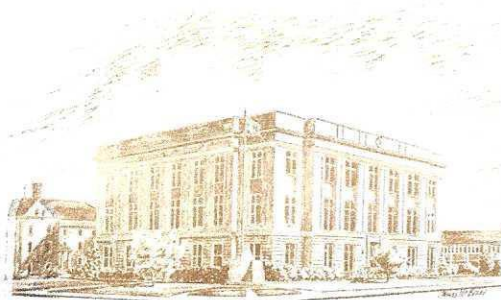
Condition and Context

The County created a Motor Vehicle Highway (MVH) Restricted sub-fund within the Motor Vehicle Highway fund and posted 50% of the state motor vehicle highway distributions to the sub-fund as required. The Restricted MVH sub-fund is to be used exclusively for the construction, reconstruction, and preservation of the County's highways.

Of the 25 Restricted MVH fund disbursements selected for compliance testing, 15 were for activities not specifically related to construction, reconstruction, or preservation of the County's highways. The disbursements were for equipment repair and maintenance, bulk road materials purchased for non-specified future projects, fuel, tires, and repairs for mowing equipment and maintenance.

Criteria

Indiana Code 8-14-1-4(b) states: "For funds distributed to a county from the motor vehicle highway account, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county's highways."



*Pike County Courthouse
Circa 1970
Petersburg, Indiana*

Pike County Government
801 Main Street
Petersburg, IN 47567
812-354-6451

OFFICIAL RESPONSE

June 29, 2022

Indiana State Board of Accounts
302 West Washington St. Room #418
Indianapolis, IN 46204-2765

Re: ***Restricted Motor Vehicle Highway Fund Disbursements***

Audit Reports B57889 (2020) and B57855 (2019) were prepared simultaneously, and both were dated November 9, 2021. It was too late to take corrective action for 2021. However, commencing January 1, 2022 appropriate changes were made to insure that expenditures from MVH Restricted Fund comply with Indiana Code 8-14-1-4(b).

Sincerely,

Mark Flint,
President, Pike County Board of Commissioners

Judith Gumbel,
Pike County Auditor

COUNTY AUDITOR
PIKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 27, 2022, with Judith Gumbel, County Auditor; Mark Flint, President of the Board of County Commissioners; and Jon Craig, President of the County Council.

BOARD OF COUNTY COMMISSIONERS
PIKE COUNTY

BOARD OF COUNTY COMMISSIONERS
PIKE COUNTY
AUDIT RESULT AND COMMENT

CONTRACTS

The same comment also appeared in prior Reports B57885 and B57889.

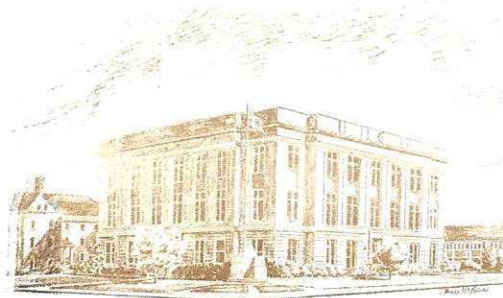
Condition and Context

Payment was made for road resurfacing materials without a written contract. The Board of County Commissioners advertised for bids, which were opened in a public meeting and the bid was awarded to the lowest bidder; however, a written contract was never entered into by the County.

Criteria

Indiana Code 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)



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OFFICIAL RESPONSE

June 29, 2022

Indiana State Board of Accounts
302 West Washington St. Room #418
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Re: **Contracts**

The Pike County Board of Commissioners on June 6, 2022 approved for future use a Contract Template for Materials/Supplies. This contract will be sent to all successful bidders following the award. This contract is to be signed by the Board of Commissioners and the successful bidder.

Attached is a copy of the template.

Sincerely,

Mark Flint,
President, Pike County Board of Commissioners

Judith Gumbel,
Pike County Auditor

Contract for Purchase of Materials/ Supplies

WHEREAS, on the _____ day of _____, 20__ the Board of Commissioners for the County of Pike, State of Indiana (hereinafter Board) advertised for bids for certain materials and supplies, and

WHEREAS, on the _____ day of _____, 20__ the Board accepted the bid of _____ which was the lowest responsive bid for the supplies/materials set forth in the attached bid which is incorporated herein.

NOW THEREFORE, _____ agrees to sell and Board agrees to purchase the supplies/materials more particularly described in said bid according to the terms and conditions of the bid and the specifications also attached hereto.

This agreement shall be effective as the acceptance of bid date for the calendar year _____.

Vendor

Pike County Board of
Commissioners

BOARD OF COUNTY COMMISSIONERS
PIKE COUNTY
EXIT CONFERENCE

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COUNTY HIGHWAY DEPARTMENT
PIKE COUNTY

COUNTY HIGHWAY DEPARTMENT
PIKE COUNTY
AUDIT RESULT AND COMMENT

RESTRICTED MOTOR VEHICLE HIGHWAY FUND DISBURSEMENTS

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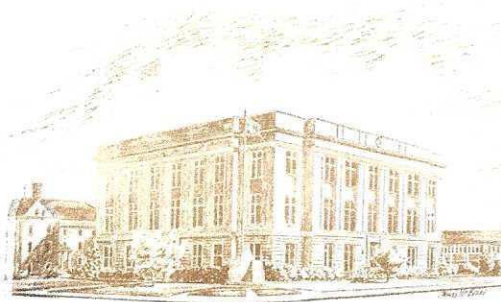
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OFFICIAL RESPONSE

June 29, 2022

Indiana State Board of Accounts
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Re: ***Restricted Motor Vehicle Highway Fund Disbursements***

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Sincerely,

Mark Flint,
President, Pike County Board of Commissioners

Judith Gumbel,
Pike County Auditor

COUNTY HIGHWAY DEPARTMENT
PIKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 27, 2022, with Judith Gumbel, County Auditor; Mark Flint, President of the Board of County Commissioners; Jon Craig, President of the County Council; and Melanie Britton, County Highway Department Office Manager.