

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SULLIVAN COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
09/20/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Shelly Hiatt-Parris	01-01-21 to 12-31-22
County Treasurer	Janna J. Johnson	01-01-21 to 12-31-22
Clerk of the Circuit Court	Tonya Bedwell	01-01-21 to 12-31-22
County Sheriff	Clark Cottom	01-01-21 to 12-31-22
County Recorder	Beth E. Swalls	01-01-21 to 12-31-22
County Surveyor	Cheryl Waterman	01-01-21 to 12-31-22
President of the Board of County Commissioners	Robert A. Davis	01-01-21 to 12-31-22
President of the County Council	Jerry Payne	01-01-21 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF SULLIVAN COUNTY, INDIANA

This report is supplemental to our audit report of Sullivan 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

September 6, 2022

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COUNTY AUDITOR
SULLIVAN COUNTY

COUNTY AUDITOR
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

Condition and Context

The County did not present a Schedule of Payables and Receivables for audit.

The County provided a Schedule of Capital Assets; however, it was materially incorrect and was not presented in the Financial Statement Audit Report for the County.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CAPITAL ASSETS

The same comment also appeared in prior Reports B53693, B58880, and B58882.

Condition and Context

The County did not maintain a complete detailed listing of capital assets owned which reflected their acquisition value. In addition, the County had not performed a physical inventory in the last two years.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The County erroneously certified on the Annual Financial Report in the Indiana Gateway for Government Units financial reporting system that the required internal control standards training had been provided to all appropriate personnel defined by Indiana Code 5-11-27(c) for 2021. However, the County had not provided internal control standards training to all appropriate personnel as required.

COUNTY AUDITOR
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CONFLICT OF INTEREST

Condition and Context

Four related-party relationships were noted during the audit period for which Uniform Conflict of Interest Disclosure Statements were not on filed.

Criteria

Indiana Code 35-44.1-1-4 states in part:

". . . (b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

(c) It is not an offense under this section if any of the following apply: . . .

(6) A public servant makes a disclosure that meets the requirements of subsection (d) or (e) and is . . .

(B) appointed by an elected public servant;

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university. . . .

COUNTY AUDITOR
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

(d) A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
 - (A) the state board of accounts; and
 - (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; . . ."

DISBURSEMENTS FROM MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

A test of twenty-five claims paid from the MVH Restricted fund was performed. The following errors were noted:

1. Seven of the disbursements were for payroll without documentation to support that these payments were for the construction, reconstruction, or preservation of the County's highways, as required.
2. Fourteen of the disbursements were for bulk highway materials or equipment rentals/purchases without documentation of the usage for construction, reconstruction, or preservation of the County's highways.
3. Four of the disbursements were not allowable, per Indiana Code, as the disbursements were for winter operations and maintenance and repairs.

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."

COUNTY AUDITOR
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

ERRORS ON CLAIMS

This same comment appeared in a Management Letter addressed to the County Auditor, County Council, and Board of County Commissioners for the audit period ending December 31, 2018, and prior Reports B58880 and B58882.

Condition and Context

The County had not established a system for the County Commissioners to review and approve claims related to electronic fund transfers (EFT), including direct deposits for payroll transactions.

A test of forty-two vendor claims was performed during the audit. The following deficiencies were noted:

1. Three claims did not have proper supporting documentation.
2. One claim was not included on the claims docket to be approved by the governing board.
3. Two claims, that were electronically paid, did not have a claim voucher and were not included on the claim docket to be approved by the governing board.
4. One claim did not agree to supporting documentation provided.

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation 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
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS

A similar comment also appeared in prior Report B47943, entitled *ANNUAL FINANCIAL REPORT*; Report B53693, entitled *INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING*; and Reports B58880 and 58882, entitled *INTERNAL CONTROLS*.

Condition and Context

Deficiencies in the internal control system of the County related to financial transactions and reporting were identified. The County Auditor had not established an effective system of internal control over financial close and reporting, receipts, and disbursements.

Financial Close and Reporting

The County Auditor did not have an effective system of internal control in place to prevent, or detect and correct, errors in the Annual Financial Report (AFR) entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the financial statement.

Receipts

There was no segregation of duties over the receipting process. One individual posted the receipts to the accounting system and wrote the quietus without an oversight, review, or approval process.

Disbursements

The First Deputy County Auditor processed vendor and payroll claims and entered them onto the claims register. The First Deputy County Auditor then used the County Auditor's signature stamp to certify the accuracy of the claims without the County Auditor actually performing a review. There was no documentation of internal controls in place, such as an oversight, review, or approval process.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

COUNTY AUDITOR
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

MONTHLY AND ANNUAL UPLOADS

Condition and Context

The County did not comply with Amended State Examiner Directive 2018-1 and failed to upload the monthly Funds Ledger and Form 61 for every month of the year and all of the required annual files on the Indiana Gateway for Government Units financial reporting system for 2021.

The files and governmental unit information that are required to be uploaded monthly include the bank reconciliements, approved board minutes, and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, current year salary ordinance, and an annual vendor history report.

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

This amended directive is effective starting with December 2020 monthly files. The upload of December 2020 monthly files will be due February 15, 2021, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. This is effective for 2020 annual files which will be due for upload March 1, 2021, for calendar year end units. . . . Thereafter, annual files must be uploaded no later than March 1st . . . for the prior year end unless the SBOA establishes a different date.

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. . . .

The following files and governmental unit information are required to be uploaded monthly by all units except as noted: . . .

For County Auditors:

- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund
- Documentation of Reconciliation of Form 61 between Auditor and Treasurer . . .

The following files and governmental unit information are required to be uploaded annually (for Counties, these apply to County Auditor unless otherwise noted): . . .

COUNTY AUDITOR
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (of Schedule) and Amendments (except Schools)
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund . . .
- Optional: Excell Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)
...

(Amended State Examiner Directive 2018-1)

COUNTY AUDITOR
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2022, with Shelly Hiatt-Parris, County Auditor; Amy Scarbrough, First Deputy County Auditor; Robert A. Davis, President of the Board of County Commissioners; John Waterman, County Commissioner; Jackie Monk, Vice President of the County Council; Curtis W. Bedwell, County Council member; Matt Chickadaunce, County Council member; and Nick Cullison, County Council member.

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CLERK OF THE CIRCUIT COURT
SULLIVAN COUNTY

CLERK OF THE CIRCUIT COURT
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS

CONFLICT OF INTEREST

Condition and Context

Four related-party relationships were noted during the audit period for which Uniform Conflict of Interest Disclosure Statements were not on file.

Criteria

Indiana Code 35-44.1-1-4 states in part:

". . . (b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

(c) It is not an offense under this section if any of the following apply: . . .

(6) A public servant makes a disclosure that meets the requirements of subsection (d) or (e) and is: . . .

(B) appointed by an elected public servant;

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university. . . .

(d) A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:

CLERK OF THE CIRCUIT COURT
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

(A) the state board of accounts; and

(B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; . . ."

INTERNAL CONTROLS

Condition and Context

There were deficiencies in the internal control system for the Clerk of the Circuit Court (Clerk) related to financial transactions. The Clerk had not established an effective system of internal control over cash and investments, receipts, and disbursements.

Cash and Investments

Monthly bank reconciliations were performed; however, there was no evidence of internal controls in place to prevent, or detect and correct, errors in cash and investments, such as an oversight, review, or approval process.

Receipts

Internal controls over receipts were properly designed; however, no evidence was provided for audit to indicate that these internal controls were implemented and operating effectively.

Disbursements

Internal controls over disbursements were properly designed; however, no evidence was provided for audit to indicate that these internal controls were implemented and operating effectively.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

CLERK OF THE CIRCUIT COURT
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2022, with Tonya Bedwell, Clerk of the Circuit Court; Shelly Hiatt-Parris, County Auditor; Amy Scarbrough, First Deputy County Auditor; Robert A. Davis, President of the Board of County Commissioners; John Waterman, County Commissioner; Jackie Monk, Vice President of the County Council; Curtis W. Bedwell, County Council member; Matt Chickadaunce, County Council member; and Nick Cullison, County Council member.

COUNTY SHERIFF
SULLIVAN COUNTY

COUNTY SHERIFF
SULLIVAN COUNTY
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS - SHERIFF INMATE TRUST FUND

A similar comment also appeared in a Management Letter addressed to the County Sheriff, County Council, and Board of County Commissioners for the audit period ending December 31, 2018 and 2019.

Condition and Context

The following deficiencies were noted for the Sheriff Inmate Trust Fund:

1. The Supplemental Annual Financial Report (AFR) was submitted to the County Auditor using bank transactions rather than actual receipts and disbursements at the time of the transaction.
2. Bank reconcilements were not properly performed during the audit period. Checks were not properly marked as cleared.

Criteria

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

COUNTY SHERIFF
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2022, with Robin Pirtle, County Sheriff Department Matron; Kerri Alumbaugh, County Sheriff Department Accountant; Shelly Hiatt-Parris, County Auditor; Amy Scarbrough, First Deputy County Auditor; Robert A. Davis, President of the Board of County Commissioners; John Waterman, County Commissioner; Jackie Monk, Vice President of the County Council; Curtis W. Bedwell, County Council member; Matt Chickadaunce, County Council member; and Nick Cullison, County Council member.

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BOARD OF COUNTY COMMISSIONERS
SULLIVAN COUNTY

BOARD OF COUNTY COMMISSIONERS
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

The same comment also appeared in prior Reports B53693, B58880, and B58882.

Condition and Context

A capital asset policy that details the threshold at which an item is considered a capital asset was not presented for audit.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

CONFLICT OF INTEREST

Condition and Context

Four related-party relationships were noted during the audit period for which Uniform Conflict of Interest Disclosure Statements were not on file.

Criteria

Indiana Code 35-44.1-1-4 states in part:

". . . (b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

(c) It is not an offense under this section if any of the following apply: . . .

- (6) A public servant makes a disclosure that meets the requirements of subsection (d) or (e) and is: . . .
 - (B) appointed by an elected public servant;

BOARD OF COUNTY COMMISSIONERS
SULLIVAN COUNTY
AUDIT RESULTS AND COMMENTS

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university. . . .

(d) A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
 - (A) the state board of accounts; and
 - (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; . . ."

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

The County did not provide training concerning internal control standards to all appropriate personnel during the audit period. Eight of twelve required new employees tested did not receive training concerning internal control standards.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

BOARD OF COUNTY COMMISSIONERS
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2022, with Shelly Hiatt-Parris, County Auditor; Amy Scarbrough, First Deputy County Auditor; Robert A. Davis, President of the Board of County Commissioners; John Waterman, County Commissioner; Jackie Monk, Vice President of the County Council; Curtis W. Bedwell, County Council member; Matt Chickadaunce, County Council member; and Nick Cullison, County Council member.

COUNTY COUNCIL
SULLIVAN COUNTY

COUNTY COUNCIL
SULLIVAN COUNTY
AUDIT RESULT AND COMMENT

CONFLICT OF INTEREST

Condition and Context

Four related-party relationships were noted during the audit period for which Uniform Conflict of Interest Disclosure Statements were not on file.

Criteria

Indiana Code 35-44.1-1-4 states in part:

". . . (b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

(c) It is not an offense under this section if any of the following apply: . . .

(6) A public servant makes a disclosure that meets the requirements of subsection (d) or (e) and is: . . .

(B) appointed by an elected public servant;

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

COUNTY COUNCIL
SULLIVAN COUNTY
AUDIT RESULT AND COMMENT
(Continued)

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university. . . .

(d) A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
 - (A) the state board of accounts; and
 - (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; . . ."

COUNTY COUNCIL
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2022, with Shelly Hiatt-Parris, County Auditor; Amy Scarbrough, First Deputy Auditor; Robert A. Davis, President of the Board of County Commissioners; John Waterman, County Commissioner; Jackie Monk, Vice President of the County Council; Curtis W. Bedwell, County Council member; Matt Chickadaunce, County Council member; and Nick Cullison, County Council member.

COUNTY SURVEYOR
SULLIVAN COUNTY

COUNTY SURVEYOR
SULLIVAN COUNTY
AUDIT RESULT AND COMMENT

CONFLICT OF INTEREST

Condition and Context

Four related-party relationships were noted during the audit period for which Uniform Conflict of Interest Disclosure Statements were not on file.

Criteria

Indiana Code 35-44.1-1-4 states in part:

". . . (b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

(c) It is not an offense under this section if any of the following apply: . . .

- (6) A public servant makes a disclosure that meets the requirements of subsection (d) or (e) and is: . . .

COUNTY SURVEYOR
SULLIVAN COUNTY
AUDIT RESULT AND COMMENT
(Continued)

(B) appointed by an elected public servant;

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university. . . .

(d) A disclosure must:

(1) be in writing;

(2) describe the contract or purchase to be made by the governmental entity;

(3) describe the pecuniary interest that the public servant has in the contract or purchase;

(4) be affirmed under penalty of perjury;

(5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;

(6) be filed within fifteen (15) days after final action on the contract or purchase with:

(A) the state board of accounts; and

(B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

COUNTY SURVEYOR
SULLIVAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2022, with Cheryl Waterman, County Surveyor, Shelly Hiatt-Parris, County Auditor; Amy Scarbrough, First Deputy County Auditor; Robert A. Davis, President of the Board of County Commissioners; John Waterman, County Commissioner; Jackie Monk, Vice President of the County Council; Curtis W. Bedwell, County Council member; Matt Chickadaunce, County Council member; and Nick Cullison, County Council member.