

Wednesday, October 10, 2012

Pursuant to adjournment comes now the Starke County Board of Commissioners and meet in special session in the Annex meeting room, Knox, Indiana, with Kathy Norem, Dan Bridegroom and Jennifer Davis present and the following proceedings were held to wit:

The meeting was called to order by Commissioner President Norem at 4:45PM. President Norem noted the purpose of this special meeting was to discuss the SBOA audit reports, the results of the SBOA audit of the County's 2011 records.

President Norem advised Starke County had received the audit report of the County and it stated there were no items that warranted comment. She advised this was the first report in quite a few years that the Commissioners weren't written up for their lack of internal controls.

AUDITOR'S SUPPLEMENTAL REPORT

President Norem advised, in addition to the County's report, some individual departments warranted a special audit report. The first department's report to be reviewed was the Auditor's. She advised in Jan. 2011, checks with issued to refund health insurance premiums to some of the County's employees. The SBOA stated there was not any supporting documentation to verify the refund issued. Auditor Chaffins advised she is aware there must be supporting documentation for the validity and accountability of all monies disbursed.

Another issue that occurred in the Auditor's Department was the lack of official approval of pay vouchers by the County Auditor. Auditor Chaffins advised she is aware all pay claims, must be approved and certified by the fiscal officer of the County. She noted she was advised by the SBOA Auditor that pay vouchers could either be individually approved by the Auditor, or the pay claim that is submitted for Commissioners' approval, could also be approved, and signed by the County Auditor. Auditor Chaffins advised she will be signing the pay claims along with the Board of Commissioners.

CLERK'S SUPPLEMENTAL REPORT

President Norem advised the SBOA cited there were a total of 235 items totaling \$57,597. on the Clerk's books, that had been on hand for a period of five years or longer. The SBOA advises for any property or proceeds held by a County Clerk for a period of five years or more should be treated as unclaimed property under IC 32-34-3. Commissioner Davis advised she would discuss this situation with County Clerk Skronski.

HEALTH DEPARTMENT'S SUPPLEMENTAL REPORT

President Norem advised the SBOA cited the receipts of the Health Department did not show the payment type. All public funds must be deposited in the same form in which they were received. They were also cited for not making deposits in a timely fashion. The SBOA policy is that deposits shall be made no later than the next business day following the receipt of funds. Auditor Chaffins, advised a policy has been established that when a department has no monies received during a day, the department is required to submit a report to the Auditor verifying the fact they have zero funds collected that day, otherwise they are obligated to make their daily deposit to the Auditor's Office. Also, the Health Department was cited for not accurately completing their Collection Report, which is to be submitted along with their deposit, to the Auditor's Office. The inaccuracy of the report causes funds to incorrectly be receipted into the wrong fund. Auditor Chaffins explained one such example is the receipts such as copies of death certificates that are receipted into the Coroner's Education Fee Fund. Those fees are submitted semi-annually to the State. If the receipts are not identified correctly on the Collections Report, they are not accounted for correctly.

Commissioner Davis advised she would speak with County Health Nurse Lynch in regard to these matters.

HIGHWAY DEPARTMENT SUPPLEMENTAL REPORT

President Norem advised the SBOA cited the Highway Department in regard to the scrap sales. The report stated even though a written agreement was entered into by the Board of Commissioners with Howard Coffin on May 21, 2012, there was no written documentation as to the reconciliation of the value of the scrap sold to Mr. Coffin, compared to the towing services value. A discussion followed in regard to this agreement expiring at the end of the year, and a possible new policy will be implemented in 2013. Commissioner Bridegroom advised he will be looking into this issue.

AUDIT RESULTS AND COMMENTS—DISCUSSION ONLY EXCEPTIONS

President Norem advised, in addition to the County's audit report, and the other supplemental reports, the County had received a report of other issues that were identified by the SBOA.

The Sheriff's Cash Book:

The SBOA noted the Sheriff's Cash Book has been short a total of \$195.98 since prior to 2009. The SBOA advised the Sheriff was responsible for the shortage and was advised he will need to input the money required to balance the Cash Book, either now or when his term expires. The Sheriff personally paid \$195.98 to reconcile the balance of the Cash Book.

Starke County's Annual Report:

The SBOA advised the Auditor, in the submission of the County's Annual Report, had incorrectly listed the balance of the Prosecutor's Unpaid Check Collection Account. Auditor Chaffins advised, due to the County's Monthly Financial Report, she now receives the balance from the Prosecutor, along with a copy of their monthly bank statement at the end of each month. The ordinance was not in effect at the end of 2011.

The SBOA also noted the grant schedule was not included in the filing of the Annual Report. Any time a County receives more than a total of \$400,000.00 in federal grants throughout, the grant schedule must be included in the annual report. Auditor Chaffins advised there was a misunderstanding as to the difference between a state grant and a federal grant, and advised in the future the Annual Report will include a grant schedule, regardless of the total amount of grants received.

County Clerk's Child Support Receipts:

The SBOA noted the Clerk's receipts of child support payments, did not match the deposit slips when those payments were deposited, that were not accurately completed, denoting the form of payment that was received.

County Recorder's Deposits:

The SBOA noted the deposits of the Recorder's Office were not always made in a timely manner, by the next business day following the receipt of monies.

Commissioner Davis advised she would speak with both Clerk Skronski and Recorder Minix in regard to those issues.

Vending Machines:

The SBOA noted that if the County's vending machines are located in area where the public has access to them, the revenues from the machines should be receipted into the County's General Fund. If the vending machines are located in a restricted area the SBOA takes no exemption to such action if the county would earmark those revenues to benefit the employees, as long as the County has passed a proper resolution or ordinance stating such. A discussion followed in regard to the vending machines in County Buildings. It was noted there were vending machines in both the Annex Building and the Courthouse, both in public areas. It was believed the vending machine in the jail was located in the lobby of the jail, and the highway department's was located in the meeting room area of the County Garage. Also discussed is where the revenue would be receipted if that was the option that was chosen. A decision as to how to handle the revenue from the vending machines was taken under advisement.

Highway Department Annual Bids:

The SBOA noted the Board of Commissioners had taken the Highway Department's annual bids under advisement but no bids were ever approved. Also noted was the County's purchasing of material for a price lower than what was cited in the annual bids. The SBOA stated whenever there is an increase or a decrease in price from the vendor that had previously been approved in a bid, there needs to be documentation from the vendor showing the vendor's cost of material had changed.

The Board asked Auditor Chaffins to check with the SBOA to get the recommended proper procedure to handle the County Highway Department's purchases in place of the annual bid process.

Including the WIC Office in the County's Salary Ordinance:

The SBOA noted the County should include the salaries of the employees of the WIC Office in the annual county salary ordinance. President Norem inquired as to the inclusion of the Starke County Community Corrections employees also in the salary ordinance. Auditor Chaffins advised the SCCC has their own Advisory Board that approves their salaries and therefore they would not be required to be included in the County's salary ordinance.

With there being no further business, the meeting was adjourned at 6:25PM.

October 10, 2012

Kathy Norem, President

Dan Bridegroom, Vice-President

Jennifer Davis

Katherine Chaffins, Auditor &
Secretary to the Board of Commissioners