

**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765**

AUDIT REPORT
OF
COUNTY COUNCIL
LAKE COUNTY, INDIANA
January 1, 2005 to December 31, 2005



FILED
11/29/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Will A. Smith, Jr.	01-01-05 to 12-31-06
President of the Board of County Commissioners	Gerry J. Scheub Rudolph Clay Frances DuPey Gerry J. Scheub	01-01-05 to 12-31-05 01-01-06 to 04-07-06 04-08-06 to 05-16-06 05-17-06 to 12-31-06



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the County Council for the period from January 1, 2005 to December 31, 2005, 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 Lake County for the year 2005.

STATE BOARD OF ACCOUNTS

September 28, 2006

COUNTY COUNCIL
LAKE COUNTY
AUDIT RESULTS AND COMMENTS

ACCIDENT REPORT AND VEHICLE INSPECTION FEES

As stated in prior audit reports, fees charged for accident reports and vehicle inspections have not been established by local ordinance. The fees currently being charged for accident reports and vehicle inspections are \$5.00.

Indiana Code 9-29-11-1 (a) states: "The main department, office, agency, or other person under whose supervision a law enforcement officer carries on the law enforcement officer's duties may charge a fee that is fixed by ordinance of the fiscal body in an amount not less than three dollars (\$3) for each report."

Indiana Code 9-29-4-2 states: "A person described in subdivision (3) who makes an inspection under IC 9-17-2-12 may charge a fee. A fee charged under this section is subject to the following:

- (1) The fee must be established by ordinance adopted by the unit (as defined in IC 36-1-2-23).
- (2) The fee may not exceed five dollars (\$5)."

INMATE PROCESSING FEE

On July 10, 2001, the County Council approved Ordinance 1217B establishing an inmate processing fee. Specifically, the ordinance assesses a processing fee of \$25 each time an inmate is booked into the Lake County Jail. The Sheriff collected \$176,309.54 in inmate processing fees during 2005, which were receipted by the Auditor into the General Fund. A similar comment appeared in the prior audit report.

Indiana Code 36-1-3-8 states, in part: "(a) a unit does not have the following: (8) the power to prescribe a penalty for conduct constituting a crime or infraction under statute".

MEDICAL CO-PAYMENT FEE

Inmates of the Lake County Jail requiring medical attention are assessed a \$10 co-payment. The medical co-payment has not been approved by an ordinance of the County Council. A similar comment appeared in the prior report.

Indiana Code 11-10-3-5 (b) states: "Except as provided in subsection (c), a person committed to the department may be required to make a co-payment in an amount of not more than ten dollars (\$10) for each provision of any of the following services: (1) Medical care. (2) Dental care. (3) Eye care. (4) Any other health care related service."

TRAVEL POLICY

As stated in prior audit reports, the County Travel Policy, Ordinance 1202B, addresses only per diem rates; it does not define what constitutes an individual to be in travel status. Without authoritative guidance on the definition of travel status, no consistency is being applied to the payment of claims for travel expenditures.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY COUNCIL
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

PAYMENT FOR EXCESS VACATION

An officer of the Sheriff's Department was paid for 200 hours of overtime in the amount of \$6,120.72 on pay date December 23, 2005. The Overtime Report stated the 200 hours was for 5 weeks of vacation time from 2004 that the officer worked instead of using as leave time. No approval from the Sheriff for the carry-over of the five weeks was presented for audit. An explanation for the officer working the scheduled vacations and paying the time at an overtime rate, one year later, was not documented.

The reports to substantiate that the officer worked the scheduled vacation time did not agree. The Employee Service Record showed the officer was on vacation for the first three weeks and worked the last two weeks during 2004. The Payroll Authorization Report showed all five weeks as regular time worked. The Overtime Report states the officer worked all five weeks.

The above deficiencies have resulted in the employee not being compensated in accordance with ordinances enacted by the County Council and Commissioners. The various department heads should review and establish controls to ensure correct records are maintained, and that they agree to each other.

The Lake County Fraternal Order of Police Collective Bargaining Agreement, Article 22, Section 3, states in part, "Vacation time will be taken during a vacation year starting January 1 and ending December 31."

The Lake County Fraternal Order of Police Collective Bargaining Agreement, Article 22, Section 7, states in part, "Vacation time must be used during the calendar year in which it is credited unless approved by the Sheriff or his/her designee."

Each governmental 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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

PAYROLL DEFICIENCIES

1. 8 out of 26, or 31%, of the employees' time and attendance records tested were not maintained and certified by the department head.
2. An employee used more paid vacation time than the employment policy allows in the amount of 8 and ½ days.
3. The Juvenile Court does not use the prescribed Employee Service Record, General Payroll Form 99A.

The above deficiencies have resulted in employees not being compensated in accordance with ordinances enacted by the County Council and Commissioners. Additionally, records maintained are not properly supported.

The various department heads should review and establish controls to ensure correct records are maintained, and that they agree to each other.

COUNTY COUNCIL
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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Indiana Code 5-11-9-4 requires that records be maintained showing which hours are worked each day . . . on each Employee's Service Record, General Form 99A. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 5)

COUNTY COUNCIL
LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2006, with Peggy Holinga Katona, Auditor; Michael T. Wieser, Director of Finance; Will A. Smith, Jr., President of the County Council; Roosevelt Allen, Jr., Member of the Board of County Commissioners; Delvert E. Cole, Office Administrator to the Board of County Commissioners; and John S. Dull, Attorney for the Board of County Commissioners.