

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

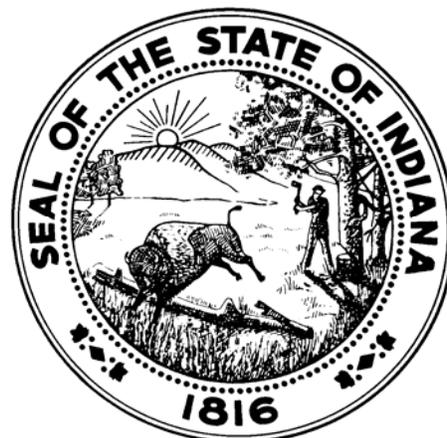
AUDIT REPORT

OF

COUNTY SHERIFF

LAPORTE COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
12/22/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	James Arnold	01-01-03 to 12-31-06
President of the County Council	John W. Jones Jerry Cooley	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Marlow Harmon	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the County Sheriff 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 LaPorte County for the year 2005.

STATE BOARD OF ACCOUNTS

September 14, 2006

COUNTY SHERIFF
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

CASH BOND RECEIPTS

During our review of the internal controls concerning cash bond receipts taken at the Sheriff Department, we noted the following deficiencies:

1. Sheriff's receipts do not always reflect all information needed to verify to the Clerk's records, such as name of the offender.
2. Sheriff's receipts do not always reflect the appropriate composition of the cash bond (cash or check) on the receipt.
3. Receipts were not always issued in order. For example, for receipts 34016, 34017, and 34018, the dates are September 1, 2005, October 16, 2005, and September 1, 2005, respectively.
4. Sheriff's duplicate receipts were not always found for all the cash bonds which were remitted to the Clerk's office.
5. The Sheriff's Department needs to have a better accountability for all cash bond receipts. A log of the receipt numbers, receipt date, offender's name, and court should be maintained.
6. Not all voided receipts had the original receipt attached and an explanation for the void. Of the 102 voided receipts, 81 (80%) voids had the original receipt attached and 21 (20%) voids did not have the original receipt attached. All voids should have the original receipt attached and an explanation for the void. (wrong amount, duplicate)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

FUND NOT ESTABLISHED IN COUNTY RECORDS

A scholarship fund checking account and certificate of deposit was established by the Sheriff. Balances at December 31, 2005, for the Neil G. Thompson Scholarship Fund checking account and certificate of deposit were \$3,518 and \$57,536, respectively. The scholarship fund is not accounted for in the County Auditor's records; however, the Sheriff used the County's taxpayer identification number to establish the accounts. The Sheriff's Department wants to keep the scholarship fund under their jurisdiction but have been unable to obtain a not for profit identification number. The use of the County's taxpayer identification number would require that the funds be included with the County's funds. The Sheriff should include this fund with the County's funds or obtain a separate taxpayer identification number.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 14, 2006, with James Arnold, Sheriff; Delayne D. Ott, Chief Deputy; Gary E. Broling, Major; Patricia L. Parks, Bookkeeper; and Connie Trojanowski, Civil Deputy. The officials concurred with our audit findings.