

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

AUDIT REPORT

OF

COUNTY SHERIFF

PORTER COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED

11/30/2007

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Results and Comments:	
Sheriff Commissary - Credit Cards	4
Inmate Processing Fee	4-5
Sheriff Civil Deposits.....	5
Sheriff Sale Advertising	5-6
Exit Conference	7
Official Response	8

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	David Reynolds David E. Lain	01-01-03 to 12-31-06 01-01-07 to 12-31-10
President of the County Council	Daniel Whitten	01-01-06 to 12-31-07
President of the Board of County Commissioners	Robert Harper	01-01-06 to 12-31-07



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 PORTER COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2006 to December 31, 2006, 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 Porter County for the year 2006.

STATE BOARD OF ACCOUNTS

September 4, 2007

COUNTY SHERIFF
PORTER COUNTY
AUDIT RESULTS AND COMMENTS

SHERIFF COMMISSARY - CREDIT CARDS

Payments for credit cards were made without having all supporting receipts for the charges. Five out of seven credit card statements tested were missing at least two receipts.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

INMATE PROCESSING FEE

As stated in the prior report, on May 21, 2002, the Porter County Board of Commissioners incorrectly established a \$25 Inmate Processing Fee. The inmate processing fee is charged to all individuals who are booked into the Porter County Jail (with the exception of state and federal prisoners temporarily housed at the Jail). If the individual has cash on his person at the time of booking, the cash is placed into an Inmate Trust Fund. The Inmate's trust fund is then reduced by the \$25 processing fee and the fee is remitted to the Auditor's office for deposit into the Inmate Processing Fee Fund. If the individual does not have cash at the time of booking, the fee is charged to the inmate's trust fund and later collected when the inmate is bonded out

COUNTY SHERIFF
PORTER COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

of jail. If the inmate is released without paying the processing fee, he will be sent an invoice for this fee. Inmates who are later found not guilty and released from jail do not collect a refund of the inmate processing fee.

Disbursements made from the Inmate Trust Fund for the \$25 inmate processing fee are inappropriate because the Inmate Trust Fund may only be used for the personal benefit of the inmate.

During 2006, the Sheriff's Department remitted \$159,263.02 to the County's Inmate Processing Fee (Fund 216). This processing fee was instituted in an attempt to generate additional revenue for police activity and to supplement the General Fund. Expenditures from the Inmate Processing Fee Fund bypass the appropriation process and the general fund miscellaneous revenue may also be understated.

The Board of County Commissioners should repeal the ordinance establishing the inmate processing fee.

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

The sheriff shall hold in trust separately for each inmate any money received from that inmate or from another person on behalf of that inmate. If the inmate or his legal guardian requests a disbursement from the inmate's trust fund, the sheriff may make a disbursement for the personal benefit of the inmate, including but not limited to a disbursement to the county jail commissary (County Bulletin and Uniform Compliance Guidelines, April, 2001)

Fees should only be collected as specifically authorized by statute of properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

SHERIFF CIVIL DEPOSITS

Forty-three percent of civil receipts tested are being deposited up to seven days after receipts were written.

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

SHERIFF SALE ADVERTISING

One hundred percent of sheriff sales tested were advertised in a newspaper that was not a general circulation newspaper of the County. These sales were court ordered sales with a blank line for the newspaper that was used for advertising to be filled in by the clerk at the Sheriff's Department. For example the language from one court order said "publication in the _____, a newspaper of general circulation, printed and published in the city of _____ in said county, nearest to where said real estate is situated. . . ." Of the nine properties tested only one was in Chesterton/Liberty Township, but the deputy in the Civil Department only advertises in the Chesterton Tribune and completes the court order in that manner. The effect of this

COUNTY SHERIFF
PORTER COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

procedure is that residents in the cities nearest to where said real estate is situated are not aware of the pending sale. The Chesterton Tribune has limited circulation in the Town of Chesterton and only available through the remainder of the county by mail delivery. We recommended that the clerks use a general circulation newspaper published in the city nearest to the real estate to be sold.

Indiana Code 34-55-6-9(a) states:

"A sale of real estate, on execution, shall be advertised by the sheriff for at least twenty (20) days successively, next before the day of sale, by:

- (1) posting written or printed notices of the sale in three (3) public places in the township in which the real estate is located;
- (2) posting a like advertisement at the door of the courthouse of the county; and
- (3) advertising the sale for three (3) weeks successively in a newspaper:
 - (A) of general circulation;
 - (B) printed in the English language; and
 - (C) published in the county where the real estate is located."

COUNTY SHERIFF
PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 4, 2007, with David E. Lain, Sheriff; and Ralph B. Gootee, Jr., Fiscal Manager. The official response has been made a part of this report and may be found on page 8.

The contents of this report were sent via certified mail to David Reynolds, former Sheriff, on September 5, 2007.



Porter County Sheriff's Department

David E. Lain
Sheriff

Douglas E. Snider
Chief Deputy

September 4, 2007

State Board of Accounts
302 W. Washington St. Rm. E418
Indianapolis, IN 46204

This is a reply to our exit audit for the year 2006 conducted on 9-4-07 at the Porter County Sheriff's Office.

ITEM 1: Sheriff's Commissary- credit cards

It is my intention to require those using the credit card to be more accountable in acquiring itemized receipts. I agree that there were too many instances in 2006 when receipts were lacking.

ITEM 2: Inmate Processing Fee

The Inmate Processing (aka "booking") Fee was instituted via county ordinance in 2002 in order to provide substance abuse councilors and programs for the exclusive benefit of the inmates. It has been the major vehicle through which recidivism has been reduced.

ITEM 3: Sheriff's Civil Bureau Deposits

Although we have reduced the overall length of time until the deposits are made, we can make further reductions. It is my intent to assign the deposits to another Sheriff's Department employee. One who may be more available to make the drive to the bank.

ITEM 4: Sheriff's Sale Advertising

The use of the Chesterton Tribune as the advertising newspaper was dictated by two factors. First, it was the only one of the three largest newspapers that is actually printed within Porter County. Furthermore, there had been a problem with another newspaper in that the advertisement date were changed without notice,

We will again make an attempt to use one of the larger, more widely distributed newspapers until there exists a demonstrable reason not to do so.

Respectfully,

Sheriff David Lain