

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

AUDIT REPORT

OF

ADULT PROBATION DEPARTMENT

PORTER COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/11/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Probation Officer	Neil T. Hannon	01-01-07 to 12-31-08
Clerk	Dale Brewer Pamela Mishler Fish	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the County Council	Daniel Whitten Robert Poparad	01-01-06 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Robert Harper	01-01-07 to 12-31-08



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 Adult Probation Department for the period from January 1, 2007 to December 31, 2007, 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 2007.

STATE BOARD OF ACCOUNTS

June 16, 2008

ADULT PROBATION DEPARTMENT
PORTER COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Monthly bank reconciliations for the probation users account were not presented for audit. A comparison of the bank balance to the ledger balance showed the bank to have an excess of \$945 at December 31, 2007. Bank reconciliations for 2008 have not been completed.

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."

DEPOSITS

As stated in the prior report, the Adult Probation Department maintains three offices which collect probation user fees. The main office is located on the first floor of the County Courthouse. Satellite offices are located on the second floor of the County Courthouse and at the County Annex Building in Portage. Both satellite offices are to remit receipts and collections to the main office. The Portage office is to remit collections to the main office on Fridays. However, deposits were made up to 17 days after the money was received.

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. . . ."

CONDITION OF RECORDS FOR OLD RESTITUTION

The Adult Probation Department has an old restitution account. All new restitution cases starting in 2001 are collected by the County Clerk's office. The following deficiencies exist relating to record-keeping at the Adult Probation Department for the old restitution account:

1. The records do not include a ledger of Receipts, Disbursements, and Balances (General Form 358) for the old restitution account.
2. A monthly bank reconciliation was not presented.
3. The composition of the ending balance has not been identified. All restitution collected should be turned over to the affected party, or remitted to the Attorney General.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (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."

ADULT PROBATION DEPARTMENT
PORTER COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 32-34-1-26(a) states in part: "A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property . . ."

PUBLIC RECORDS RETENTION

As stated in the prior report, receipts for collections of probation user fees could not be traced to case files. The main probation department has two satellite offices that collect probation user fees. The fees paid by probationers are documented on a probationer's log and on daily reports of collections turned in to the main probation office. When the probationer is no longer on probation (he has paid all fees and met the requirements set by the court) his log is no longer needed and destroyed. No documentation for payments is made in the Jalan system that maintains the case histories information. The actual closed case histories at the Clerk's Office do not have a payment history. Only a copy of a payment receipt was noted in some case files but we were unable to verify if other receipts were received.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

FEES - ANTABUSE COLLECTION BY ADULT PROBATION

As stated in the prior report, County Judges order individuals who have committed alcohol related offenses to undergo alcohol treatment. Individuals are ordered to be treated through an antabuse (anti-alcoholic) program. Individuals are required to go to the Health Department to have the drug administered on a weekly basis.

The ordinance or resolution approving the collection of fees for the antabuse program and for the establishment of the antabuse fund was not presented for audit. An antabuse fee of \$70 per month is charged to those individuals in treatment. The fee was calculated by (1) the per person monthly cost of the drug plus (2) the cost of having a nurse from the health department administer the drug, and (3) the cost of having sheriff's personnel on hand to provide security and monitor adherence to the antabuse program. As of May 1, 2008, the fee was increased to \$120 per month.

Fees should only be collected as specifically authorized by statute or 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)

PRETRIAL SUPERVISION FEE - SUPERIOR COURT IV

As stated in the prior report, the Judge is ordering a defendant to pay "pretrial supervision" fees and released the defendant's cash bond (bail) to pay the pretrial supervision fees. The defendant had not been convicted at the time of the order.

ADULT PROBATION DEPARTMENT
PORTER COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Indiana Code 35-33-8-3.2(a) states in part:

"A court may admit a defendant to bail and impose any of the following conditions to assure the defendant's appearance at any stage of the legal proceedings, or, upon a showing of clear and convincing evidence that the defendant poses a risk of physical danger to another person or the community, to assure the public's physical safety: . . .

- (2) Require the defendant to execute:
 - (A) a bail bond by depositing cash or securities with the clerk of the court in an amount not less than ten percent (10%) of the bail; and
 - (B) an agreement that allows the court to retain all or a part of the cash or securities to pay fines, costs, fees, and restitution that the court may order the defendant to pay if the defendant is convicted." (our emphasis)

ADULT PROBATION DEPARTMENT
PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 16, 2008, with Neil T. Hannon, Chief Probation Officer; Kimberly Dickson, Bookkeeper; and Steve Meyer, Adult Probation Officer. The official response has been made a part of this report and may be found on pages 8 and 9.

PORTER COUNTY ADULT PROBATION

Circuit and Superior Courts

COURTHOUSE – SUITE 142
16 LINCOLNWAY
VALPARAISO, INDIANA 46383 - 5661

TELEPHONE:
(219) 465-3420
FAX: (219) 462-7558

1 July 2008

Mr. Bruce Hartman, State Examiner
Indiana State Board of Accounts
1302 West Washington, Room 418
Indianapolis, IN 46204

Our response to the June 16th, 2008 Exit Interview at 10:00 am is as follows:

BANK ACCOUNT RECONCILLATIONS

Prior to our Exit Interview and at the suggestion of the State Board of Accounts, a reconciliation of the aforementioned \$945.00 was made. All monies were identified and accounted for. Monthly bank reconciliations as required by I.C. 5-13-6-1 (e) have been adopted.

DEPOSITS

The Portage (satellite) office which house Superior Courts 3 & 6 continue to collect statutorily required fees and remit them to a locked four (4) drawer file cabinet weekly. The mention of a seventeen (17) day time span may have occurred when the primary money collector left for vacation and a minimal amount of money had not yet been deposited.

When money is collected by the Probation Clerks in Portage or by the Probation Clerk in Valparaiso, it is entered; (1) on the signed Rules and Conditions of Release, (2) into a 3 ring binder, (3) into the Clerk's Office Court File, and (4) into the Jalan Court System. The "Sungard Public Record System" – Jalan System has previously been approved for use by the Indiana State Board of Accounts as well as the Indiana Supreme Court. We are exploring the possibility to have all collections in Superior court 4 be paid to our bookkeeper in Suite 142.

CONDITIONS OF RECORDS FOR OLD RESTITUTION

We do not dispute the fact that a "dormant" amount of Restitution remains on our books contrary to General Form No. 358 and I.C. Code 5-13-6-1 (e). As time permits, we attempt to locate the victims or rightful owners of these funds. We beg your diligent perusal of the numerous "open accounts" that exist belonging to victims which sit unattended by our Clerk. The amounts are not billed for collection.

PUBLIC RECORDS RETENTION

Please see previously stated comments in Section DEPOSITS.

The Clerk is responsible to make entry of these funds in the Sungard / Jalan System. The Adult Probation Department is in compliance with I.C. Code 5-15-6-3 (f) through January 1st, 2008.

FEES – ANTABUSE COLLECTION BY ADULT PROBATION

We believe the first statement is incorrect. Antabuse is NOT TREATMENT. Antabuse is distributed Monday, Wednesday & Friday in two (2) locations (Valparaiso & Portage) between 6:00 - 8:00 am and 5:00 - 7:00 pm. Treatment is when an individual attends Alcohol Education followed by I.O.P. (an Intensive Outpatient Program – 120 hours of class) followed by 90 Alcoholics Anonymous meetings. The entire time taking Antabuse is an attempt to not use alcohol. Antabuse should last not less than 18 months. However, due to elevated (high) liver enzyme levels, many are on this program only six (6) months.

Please review the balance in the Antabuse Account. This is a client funded account which has never used tax dollars. Please see the increase in Antabuse cost. From January through June 2008, the Antabuse cost exhibited a 15% increase. On July 1st, 2008, the cost increases another 17%.

In paragraph two (2), reference is made of Sheriff's security. No Porter County Sheriff's personnel has ever been employed by this program. Security has always been PRIVATE (hired and trained off the street).

Although we try to anticipate as any business would, we do need a cushion or reserve to pay for new employee training and to anticipate a 26% increase in medication (\$45,000 - \$85,000) and number of paying clients in any given month. The original ordinance filed by then Commissioners in 1989 could not be located. Current Commissioners had been asked to address this in July 2007.

PRETRIAL SUPERVISION FEE - SUPERIOR COURT IV

House Bill 1016 amended I.C. Code 35-33-8-33

The NEW SECTION allows after July 1st, 2006 to collect and distribute these fees. Therefore, any mention in this section is moot and unnecessary.

Submitted by,



Neil T. Hannon
Chief Adult Probation Officer