

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

AUDIT REPORT

OF

COUNTY SHERIFF

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>
Sheriff	David E. Lain	01-01-07 to 12-31-10
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**  
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TO: THE OFFICIALS OF PORTER COUNTY

We have audited the records of the County Sheriff 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

April 24, 2008

COUNTY SHERIFF  
PORTER COUNTY  
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balance to the bank account balance were not presented for audit or were incomplete for the Sheriff's Inmate Trust. Reconciliations for October through December 2007 were not performed. Reconciliations for April through September 2007 were incomplete. As of April 23, 2008, no reconciliations for 2008 have been prepared.

Indiana Code 5-13-6-1(e) states in part: "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."

SHERIFF MOUNTED POSSE

The Sheriff's Mounted Posse had activity recorded in a separate bank account. The activity of this bank account was not posted to the records of the County.

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)

INMATE PROCESSING FEE

As stated in the prior four reports, on May 21, 2002, the Porter County Board of Commissioners 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 County 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 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 2007, the Sheriff's Department remitted \$154,124.65 to the County's Inmate Processing Fee Fund (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.

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."

COUNTY SHERIFF  
PORTER COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

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 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)

SHERIFF SALE ADVERTISING

As stated in the two previous reports, 100% 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 completed 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. . . ." Of the six properties tested, none were located in Chesterton (Liberty Township), but the clerk in the Sheriff's Civil Division only advertises in the Chesterton Tribune and completes the court order in that manner. The effect of this procedure is that residents in the cities and towns 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 is only available through the remainder of the county by mail delivery. We again recommended that the clerks use a general circulation newspaper published in the city or town 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 April 24, 2008, with David E. Lain, Sheriff; Douglas E. Snider, Chief Deputy; Ralph B. Gootee, Jr., Fiscal Manager; Kathy Nichols, Civil Bureau Supervisor; Rachel L. Klaiber, Civil Bureau Bookkeeper; and Dustin Widup, Commissary Officer. The officials concurred with our audit findings.