

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

AUDIT REPORT

OF

COUNTY COUNCIL

LAPORTE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/25/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Teresa M. Shuter	01-01-05 to 12-31-08
Treasurer	Kenneth E. Layton	01-01-05 to 12-31-08
President of the County Council	Jerry Cooley Mark Yagelski	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Barbara Huston William Hager	01-01-07 to 12-31-07 01-01-08 to 12-31-08



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 Council 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 LaPorte County for the year 2007.

STATE BOARD OF ACCOUNTS

June 17, 2008

COUNTY COUNCIL
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

FUND ESTABLISHED NOT IN ACCORDANCE WITH STATUTE

On August 27, 2007, the County Council adopted an ordinance to establish the "Sheriff's Pension Non-Reverting Fund" (Sheriff Pension Trust Fund). The Sheriff's service of process fees established under Indiana Code 33-37-7-11 (\$13 to be receipted to the General Fund upon presentation of a verified claim of service) and under Indiana Code 33-37-5-15 (an additional \$13 or \$60 to be receipted to a clearing account for transfer to the Sheriff Pension Trust Fund) are both being receipted to this fund. Since both fees are being collected by the County Clerk, it is recommended that the County establish a clearing account for the receipt of the fees collected under Indiana Code 33-37-5-15, which can then be transferred to the Sheriff Pension Trust Fund without appropriation or verified claim of service. The fees collected under Indiana Code 33-37-7-11 receipted to the General Fund are required to be appropriated prior to disbursement to the Sheriff Pension Trust Fund.

Indiana Code 33-37-7-11 states:

"(a) This section applies to a county in which there is established a pension trust under IC 36-8-10-12.

(b) For each service of a writ, an order, a process, a notice, a tax warrant, or other paper completed by the sheriff of a county described in subsection (a), the sheriff shall submit to the county fiscal body a verified claim of service.

(c) From the county share distributed under section 4 of this chapter and deposited into the county general fund, the county fiscal body shall appropriate thirteen dollars (\$13) for each verified claim submitted by the sheriff under subsection (b). Amounts appropriated under this subsection shall be deposited by the county auditor into the pension trust established under IC 36-8-10-12."

Indiana Code 33-37-5-15 states:

"(a) The sheriff shall collect a service of process fee of thirteen dollars (\$13) from a party requesting service of a writ, an order, a process, a notice, a tax warrant, or any other paper completed by the sheriff.

(b) The sheriff shall collect from the person who filed the civil action a service of process fee of sixty dollars (\$60), in addition to any other fee for service of process, if:

- (1) a person files a civil action outside Indiana; and
- (2) a sheriff in Indiana is requested to perform a service of process associated with the civil action in Indiana.

COUNTY COUNCIL
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

(c) A sheriff shall transfer fees collected under this section to the county auditor of the county in which the sheriff has jurisdiction.

(d) The county auditor shall deposit fees collected under this section:

- (1) in the pension trust established by the county under IC 36-8-10-12; or
- (2) if the county has not established a pension trust under IC 36-8-10-12, in the county general fund."

FUND NOT ESTABLISHED IN COUNTY RECORDS

As stated in prior reports, a scholarship fund checking account and certificate of deposit was established by the Sheriff. Balances at December 31, 2007, for the Neil G. Thompson Scholarship Fund checking account and certificate of deposit were \$1,558 and \$59,441, 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.

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 COUNCIL
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 17, 2008, with Teresa M. Shuter, Auditor; Mark Yagelski, President of the County Council; and William Hager, President of the Board of County Commissioners. The officials concurred with our audit findings.