

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

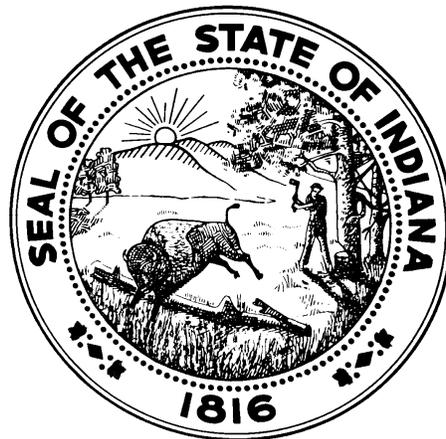
AUDIT REPORT

OF

COUNTY SHERIFF

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>
Sheriff	Michael Mollenhauer	01-01-07 to 12-31-10
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 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 LaPorte County for the year 2007.

STATE BOARD OF ACCOUNTS

May 27, 2008

COUNTY SHERIFF
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROL

The Sheriff Department has patrolmen collect Vehicle Identification Number (VIN) Check fees. As the patrolmen collect the fees, the collections are placed into an envelope and dated. A portion of the envelope is torn off and serves as the receipt. The envelope is then placed into a locked closet. On a monthly basis, the collections are summed up on a report of collections and remitted to the Auditor's office. In 8 of the 12 months reviewed, collections remitted to the Auditor's office contained receipts that were dated more than 1 month prior to the report of collection date.

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 of Indiana, Chapter 1)

TIMELY DEPOSITS

Based on our review of the procedures for the Clerk's office, the cash bonds from the Sheriff's Department were receipted and deposited anywhere from 4 to 15 days after initial collection.

Indiana Code 5-13-6-1 states in part: "All public funds paid into the treasury of the state or the treasuries of the respective political subdivisions shall be deposited not later than the business day following the receipt of funds on business days of the depository . . ."

RECEIPT ISSUANCE

Receipts are not being issued for money received for the Sheriff Commissary Fund. Money received is posted to the ledger and deposited. Most of the collections are from the inmates, so it is simply a transfer from one bank account to another; however, the Sheriff also receives collections from vendors (commission checks and rebates), and reimbursements from the Auditor for travel and education related expenses. It is important the receipts be issued upon collection of funds, as we located a check from the Auditor that was not cashed but endorsed by the Sheriff. The check was left in the files with supporting documents. The check was dated May 18, 2007, and was for \$2,040.67.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF
LAPORTE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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 SHERIFF
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 27, 2008, with Mike Mollenhauer, Sheriff; Gary Broling, Major; and Patti Parks, Bookkeeper. The officials concurred with our audit findings.