

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

AUDIT REPORT

OF

COUNTY COUNCIL

LAKE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED
09/26/2008

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the County Council	Elsie Franklin Christine Cid	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Board of County Commissioners	Roosevelt Allen, Jr. Gerry J. Scheub	01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
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TO: THE OFFICIALS OF LAKE 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 Lake County for the year 2007.

STATE BOARD OF ACCOUNTS

August 19, 2008

COUNTY COUNCIL
LAKE COUNTY
AUDIT RESULTS AND COMMENTS

INMATE PROCESSING FEE

On July 10, 2001, the County Council approved Ordinance 1217B establishing an inmate processing fee. Specifically, the ordinance assesses a processing fee of \$25 each time an inmate is booked into the Lake County Jail. There is no statutory authority to assess such a fee. A similar comment appeared in prior reports.

Based on Indiana Code 36-2-13-17.4 detailed below, the Sheriff's attorney issued a legal opinion and directive to the Warden and staff at the Lake County Jail. This opinion advised that "effective July 1, 2008, the \$25 inmate processing fee established by Ordinance 1217B can only be collected from inmates held in the Lake County Jail after they are convicted of a crime and that no fees will be collected from inmates at the time they are initially booked into the Lake County Jail."

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

Indiana Code 36-2-13-17.4 (effective July 1, 2008) states: "A sheriff or an employee of a jail may not charge an individual a fee for the individual to be incarcerated or held in a jail unless the individual has been convicted of a crime for which the individual was incarcerated or held in the jail."

ACCIDENT REPORT AND VEHICLE INSPECTION FEES

As stated in the prior audit report, fees charged for accident reports and vehicle inspections have not been established by local ordinance. The fee currently being charged for accident reports and vehicle inspections is \$5.00.

Indiana Code 9-29-11-1 (a) states: "The main department, office, agency, or other person under whose supervision a law enforcement officer carries on the law enforcement officer's duties may charge a fee that is fixed by ordinance of the fiscal body in an amount not less than three dollars (\$3) for each report."

Indiana Code 9-29-4-2 states:

"A person described in subdivision (3) who makes an inspection under IC 9-17-2-12 may charge a fee. A fee charged under this section is subject to the following:

- (1) The fee must be established by ordinance adopted by the unit (as defined in IC 36-1-2-23).
- (2) The fee may not exceed five dollars (\$5)."

COUNTY COUNCIL
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

TRAVEL POLICY

As stated in prior reports, the County Travel Policy, Ordinance 1279G, addresses only per diem rates; it does not specify when an employee is in travel status and, therefore, eligible for per diem payments. A formal policy defining travel status and eligibility for per diem is necessary to ensure consistency between departments when paying travel expenditures.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

BOND PROCEEDS

The County Council adopted Ordinance 1284A for the issuance and sale of general obligation bonds for energy conservation measures. A section of the ordinance concerning the bond proceeds directs the Auditor to deposit a portion of the proceeds for payment of interest into the bond fund; however, the amount for interest was not transferred to the bond fund for payment of such interest. The County Council has taken the responsibility to monitor the use of the proceeds.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors, Chapter 14)

ADMINISTRATIVE FEE

County Ordinances 1280A and 1280B authorizes the collection of a \$200 administrative fee for the sale of foreclosed properties and created the Sheriff Sale Fund (Fund 572), to account for the activity related to the fee charged and expenses of such a sale. In 2007, fees collected totaled \$633,600 but no disbursements were posted. If costs were incurred for the sale, we could not determine from which funds they were paid. Indiana Code permits such a fee, for the actual costs attributable to the sale. Compliance with statutory requirements for this fee could not be determined since no disbursements were charged to the fund.

Indiana Code 32-29-7-3 (h) states in part: "The sheriff may charge an administrative fee of not more than two hundred dollars (\$200) with respect to a proceeding referred to in subsection (b) for actual costs directly attributable to the administration of the sale under subsection (c). . . ."

COUNTY COUNCIL
LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2008, with Christine Cid, President of the County Council; Larry Blanchard, Council member; and Ted Bilski, Council member.