

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

AUDIT REPORT
OF
DOMESTIC RELATIONS COUNSELING BUREAU
LAKE COUNTY, INDIANA
January 1, 2008 to December 31, 2008



FILED
11/19/2009

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Domestic Relations Director	Merrilee Frey	01-01-08 to 12-31-09
Judge of the Circuit Court	Lorenzo Arredondo	01-01-05 to 12-31-10
President of the County Council	Christine Cid Larry Blanchard	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	Gerry J. Scheub Roosevelt Allen, Jr.	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the Domestic Relations Counseling Bureau for the period from January 1, 2008 to December 31, 2008, 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 2008.

STATE BOARD OF ACCOUNTS

September 16, 2009

DOMESTIC RELATIONS COUNSELING BUREAU
LAKE COUNTY
AUDIT RESULTS AND COMMENTS

TIMELY RECORDKEEPING

Of the 11 months tested, only 1 month was remitted timely to the Auditor's office. Remittances were held from 12 to 75 days before being remitted to the Auditor's office.

IC 5-13-6-1-1 states:

"(a) 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 in one (1) or more depositories in the name of the state or political subdivision by the officer having control of the funds."

FEES

The Domestic Relations Counseling Bureau collects fees for domestic dispute resolution services for mediation, reconciliation, arbitration, and parental counseling. Fees for services are based on income levels, a sliding scale, such that the higher the client's income, the fee is increased to the maximum approved allowable fee. The following deficiencies were noted for fees collected:

1. The amount of the fee collected did not agree with the fee on the approved sliding scale.
2. Fees were waived in hardship cases. The authority to waive fees from the sliding scale was not presented for audit.
3. Verification or supporting documentation of income used to determine the fee was not provided for audit.

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)

IC 33-23-6-2 states in part:

"(c) The sources of money for each fund established under subsection (a) or (b) are:

- (1) the alternative dispute resolution fee collected under section 1 of this chapter for the circuit court, superior court, or probate court, respectively; and
- (2) copayments collected under subsection (d) if:
 - (A) a county chooses to deposit the copayments into the fund; and
 - (B) the county specifies in the plan adopted by the county under section 3 of this chapter that the copayments will be deposited in the fund.

DOMESTIC RELATIONS COUNSELING BUREAU
LAKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

(d) The funds shall be used to foster domestic relations alternative dispute resolution, including:

- (1) mediation;
- (2) reconciliation;
- (3) nonbinding arbitration; and
- (4) parental counseling.

Litigants referred by the court to services covered by the fund shall make a copayment for the services in an amount determined by the court based on the litigants' ability to pay. The fund shall be administered by the circuit, superior, or probate court that exercises jurisdiction over domestic relations and paternity cases in the county. A fund used by multiple courts under subsection (b) shall be administered jointly by all the courts using the fund. Money in each fund at the end of a fiscal year does not revert to the county general fund but remains in the fund for the uses specified in this section.

(e) Each circuit, superior, or probate court that administers an alternative dispute resolution fund shall ensure that money in the fund is disbursed in a manner that primarily benefits those litigants who have the least ability to pay, in accordance with the plan adopted by the county under section 3 of this chapter."

DOMESTIC RELATIONS COUNSELING BUREAU
LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2009, with Lorenzo Arredondo, Judge of the Circuit Court; Merrilee Frey, Domestic Relations Director; and Nikki Angel, Resources Director.