

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

AUDIT REPORT

OF

COUNTY TREASURER

LAPORTE COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED

09/07/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
County Officials	2
Transmittal Letter	3
Audit Result and Comment: Bank Account Reconciliations	4
Exit Conference.....	5
Official Response	6

COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Nancy Hawkins	01-01-09 to 12-31-12
President of the County Council	Mark Yagelski Richard Mrozinski, Jr.	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Barbara Huston Kenneth Layton	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2010 to December 31, 2010, 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 Result and Comment. The financial transactions of this office are reflected in the Annual Report of LaPorte County for the year 2010.

STATE BOARD OF ACCOUNTS

July 28, 2011

COUNTY TREASURER
LAPORTE COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Upon submission of the County Annual Report (CAR) for 2010 to the State Board of Accounts, which had a due date of March 1, 2011, depository reconciliations of the fund balances to the bank account balances had been completed only through June 2010. At this time the Treasurer was eight months delinquent in the completion of this reconciliation. Thus, the State Board of Accounts was unable to verify that the fund balances presented in the CAR reconciled to the depository balances maintained by the County Treasurer. This was one of the contributing factors in the opinion to the financial statements for 2010 being disclaimed.

As of July 28, 2011, the last completed reconciliation of the depository balances to the fund balances was completed for the month of August 2010. At this time the Treasurer was eleven months delinquent in the completion of this reconciliation.

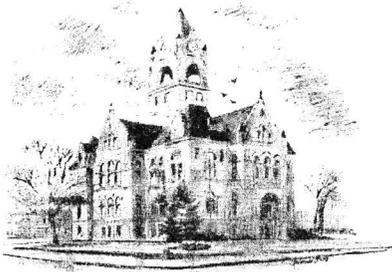
Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

Indiana Code 36-2-10-16 states in part: "Before the sixteenth day of each month, the treasurer shall prepare a report showing, as of the close of business on the last day of the preceding month, the following items: . . ." Nine items are listed which in summary can be called a reconciliation of the depository balances to the fund balances.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

COUNTY TREASURER
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 28, 2011, with Nancy Hawkins, Treasurer; Mike Maurer, Chief Deputy Treasurer; and Linda Lowery, 1st Deputy Treasurer. The official response has been made a part of this report and may be found on page 6.



LaPorte County Treasurer
Nancy Hawkins
555 Michigan Avenue, Suite 102
LaPorte, IN 46350-3491

State Board of Accounts
227 W. Jefferson Blvd., Room 806
South Bend, IN 46601

**OFFICIAL RESPONSE to LaPorte County Treasurer's Audit
for period 1/10/10 to 12/31/10**

August 1, 2011

Dear Sirs:

I am in receipt of the State Board of Accounts finding in our audit for 2010. The audit results, dated July 28, 2011, have found that we are delinquent in the depository reconciliation of the fund balances to the bank account.

Since the audit, we have made a concentrated effort to get caught up in our balancing process. We have now completed the reconciliation through October, 2010.

Two factors contributed to this delinquency. The first factor was critical work that needed to be done with our tax system vendor, Manatron, to clean up conversion issues and move forward with the 2006 pay 2007 tax reconciliation bill. The deputy in charge of reconciling the bank statements, Linda Lowery, was heavily involved in working with Manatron in searching through all of the township records and payment records to bring the conversion database into balance.

The second factor that contributed to our delinquency was the fact that we lost 3 employees in the latter part of 2010. Therefore, 50% of our employees in the LaPorte office are new and are still in training.

Moving forward, we have begun cross-training our clerks on the various duties in the office and in the future, there will always be at least 2 people who are familiar with the account balancing process to assure that this delinquency does not happen again.

Sincerely,
Nancy Hawkins
Nancy Hawkins
Treasurer