

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

AUDIT REPORT

OF

BOARD OF COUNTY COMMISSIONERS

LAPORTE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
12/12/2013

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board of County Commissioners	Kenneth Layton	01-01-12 to 12-31-12
	Willie Milsap	01-01-13 to 12-31-13
President of the County Council	Matthew Bernacchi	01-01-12 to 12-31-12
	Mark Yagelski	01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAPORTE COUNTY

We have audited the records of the Board of County Commissioners for the period from January 1, 2012 to December 31, 2012, 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 2012.

STATE BOARD OF ACCOUNTS

November 14, 2013

BOARD OF COUNTY COMMISSIONERS
LAPORTE COUNTY
AUDIT RESULT AND COMMENT

CREDIT CARDS

Many LaPorte County departments are using credit cards, gas cards, and department store charge cards/accounts to purchase items without an approved credit card policy. Most of the purchases were made before purchase orders were prepared and approved. Some credit card purchases were for equipment and in one department were used to pay monthly cell phone bills for the entire department. It was also noted that in some instances there were late fees and interest charges paid. Also, some credit cards had annual fee charges.

County officials could not provide a listing of who has credit cards, gas cards, and department store charge cards/accounts. The County Auditor is currently trying to obtain this information from all County departments.

The prior Reports B39211 and B40912 included a comment concerning the County not having a credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

BOARD OF COUNTY COMMISSIONERS
LAPORTE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2013, with Earl Cunningham and Terry Garner, Council members.

The contents of this report were discussed on November 14, 2013, with Willie Milsap, President of the Board of County Commissioners; Dave Decker, Commissioner; and Shaw Friedman, County Attorney. The officials concurred with our audit finding.