

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

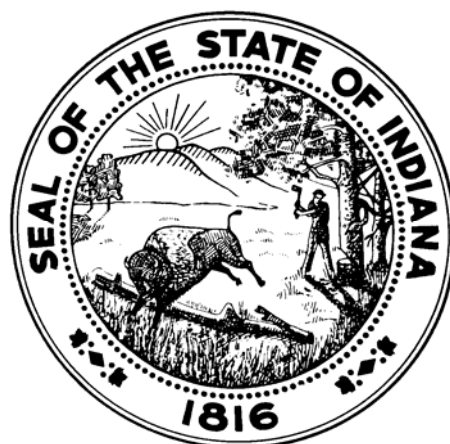
AUDIT REPORT

OF

COUNTY TREASURER

PORTER COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED

11/29/2006

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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	James R. Murphy	01-01-02 to 12-31-09
President of the County Council	Robert Poparad Daniel Whitten	01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board of County Commissioners	Robert Harper	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF PORTER COUNTY

We have audited the records of the County Treasurer for the period from January 1, 2005 to December 31, 2005, 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 Porter County for the year 2005.

STATE BOARD OF ACCOUNTS

October 24, 2006

COUNTY TREASURER
PORTER COUNTY
AUDIT RESULTS AND COMMENTS

TAX DUPLICATE (FORM 9)

The County maintains Tax Duplicate Book Journals (tax duplicates) for real estate, mobile homes, personal property, railroads, and utilities. These journals are computerized records of all property owners in Porter County, the amount of tax billed and the amount paid by each property owner separated by taxing unit.

As noted in prior audit reports, the amounts recorded as collections of property taxes in the Treasurer's Cash Book, and on the County's Settlement and Distribution Report, are not the same amounts as recorded in the tax duplicates. In addition, amounts recorded in the tax duplicates as being billed does not agree to the amounts included on the county's approved abstract as the amounts billed for property taxes. Officials in the Treasurer, Auditor, and Information Technology (IT) offices were unable to explain the differences.

Also, the tax duplicates are computer generated forms that replace the forms prescribed by the State Board of Accounts. These forms have not been approved and are not exact replicas of the prescribed forms. Several columns of the prescribed form are not included on the county's form and all delinquent taxes and penalties are combined into one amount without distinguishing between taxing periods. Also, payment dates do not include the year and only the last date of payment is available when partial payments occur.

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 County Treasurers, Chapter 10)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers, Chapter 10)

DEPOSITS

Tax collections received by the Treasurer's office after the due date are not posted or deposited until after all of the payments that were not overdue are posted, which may be up to four weeks after being received. These late payments are not posted until after the settlement is certified to the County Auditor. Payers of late payments are issued temporary receipts and the collections are held in the office.

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

DEPOSIT COMPOSITION

The Treasurer receipts did not always specify if the amount that was collected was cash or check. Composition of the receipts that were deposited could not be verified.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

COUNTY TREASURER
PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 24, 2006, with James R. Murphy, Treasurer.