

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

LAPORTE COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
06/26/2017



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	JoEileen Winski	01-01-13 to 12-31-20
County Treasurer	Nancy Hawkins Lynne Spevak	01-01-13 to 12-31-16 01-01-17 to 12-31-20
Clerk of the Circuit Court	Lynne Spevak Kathy Chroback	01-01-13 to 12-31-16 01-01-17 to 12-31-20
County Sheriff	John T. Boyd	01-01-15 to 12-31-18
County Recorder	Barbara A. Dean (Vacant) Lois Sosinski	01-01-13 to 01-05-17 01-06-17 to 01-30-17 01-31-17 to 12-31-20
County Prosecutor	John M. Espar	01-01-15 to 12-31-18
President of the Board of County Commissioners	David Decker Richard Mrozinski	01-01-15 to 12-31-16 01-01-17 to 12-31-17
President of the County Council	Mark Yagelski Terry Garner Lois Sosinski Jeff Santana	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 02-08-17 02-09-17 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAPORTE COUNTY, INDIANA

This report is supplemental to our audit report of LaPorte County (County), for the period from January 1, 2015 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the County, which provides our opinions on the County's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

The Federal Findings, identified in the above referenced audit report, are included in this report and should be viewed in conjunction with the Audit Results and Comments as described below.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Corrective Action Plan for the Federal Findings and Official Response to the Audit Results and Comments, incorporated within this report, were not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

March 20, 2017

COUNTY AUDITOR  
LAPORTE COUNTY

COUNTY AUDITOR  
LAPORTE COUNTY  
FEDERAL FINDINGS

**FINDING 2015-001 - FINANCIAL TRANSACTIONS AND REPORTING - COUNTY AUDITOR**

*Condition*

There were several deficiencies in the internal control system of the County Auditor related to financial transactions and reporting.

1. Financial close and reporting: The County Auditor did not have controls in place to ensure that the financial records were closed and properly reported at year end. Because the records were not properly closed, errors occurred. The County Auditor's accounting software did not prevent the manual entry of the date. In January 2015, receipts and checks were issued with a December 2014 date, even though receipts and checks had already been issued with a 2015 date.
2. Monitoring of Controls: The County Auditor had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would have required the County Auditor to monitor and assess the quality of the system of internal control.
3. Preparation of Financial Statement: The County Auditor had not identified risks to the preparation of a reliable financial statement and, as a result, failed to design effective controls over the input of financial information entered into the Indiana Gateway for Government Units financial reporting system, which is the source for the Annual Financial Report (AFR) and the financial statement. There were no controls to prevent, or detect and correct, material misstatements. In addition, management of the County Auditor had not established a process for final review of the financial statement after compilation.

The financial information entered into the Indiana Gateway for Government Units financial system, which is the source of the AFR and the County's financial statement, contained numerous errors and did not properly reflect the financial activity of the County. The AFR and the financial statement did not agree with the County's ledger for the following funds:

1. The Conversion Fund, Other Donation Funds, Co. Liability Insurance fund, I 94 US Route 421 TIF (2) fund, Settlement Funds, SUP CT #4 Transfer Fees fund, Treasurer Cash Book fund, and Clerk Cash Book fund were not reported.
2. The Inmate Trust Fund and the Sheriff's Commissary Fund receipts and disbursements were not included. The beginning balances also did not agree with the prior year's ending balances by \$20,261 and \$5,800, respectively.
3. The Neil Thompson Scholarship Fund receipts and disbursements were not included and the Neil Thompson Scholarship Investment fund receipts were not reported.
4. The Community Corrections Commissary Fund and the Community Corrections Resident Fund receipts and disbursements were not reported.

Audit adjustments were proposed, accepted by the County, and made to the financial statement that appears in this report.

COUNTY AUDITOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

- Accurate and timely recording of transactions. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

*Cause*

Management of the County Auditor had not established a proper system of internal control. Additionally, management had not conducted a risk assessment related to the County's financial transactions and reporting.

*Effect*

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County Auditor at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

COUNTY AUDITOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

**FINDING 2015-002 - PREPARATION OF THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). One employee in the County Auditor's office prepared the SEFA without controls to ensure its accuracy before submission.

The SEFA presented for audit contained the following errors:

1. Five grants were not included, which understated the federal expenditures by \$125,721 as follows:
  - a. Two Department of Health and Human Services grants expenditures totaling \$21,664.
  - b. Department of Justice grant expenditures of \$78,268.
  - c. Department of Transportation grant expenditures of \$24,204.
  - d. Department of Homeland Security grant expenditures of \$1,585.
2. Child Support Enforcement program expenditures were overstated by \$31,454.
3. Department of Transportation program expenditures were overstated by \$57,275.
4. Department of Justice program expenditures were overstated by \$1,269.
5. Department of Agriculture program noncash assistance was understated by \$1,855.
6. Amount of Loans Outstanding was overstated by \$1,158,118.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

COUNTY AUDITOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

- Accurate and timely recording of transactions. . . ."

2 CFR section 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR section 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

COUNTY AUDITOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-007 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 2015  
Pass-Through Entity: Indiana Department of Child Services

This is a repeat of finding number 2014-007 from the immediate prior year.

*Condition*

An effective internal control system was not in place at the County to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The controls to determine if expenditures were an allowable cost were not effective.

*County Auditor*

The principles for allowable costs apply whether or not a particular item of cost is properly treated as a direct cost or an indirect (F&A) cost. These costs were allocated to specific benefitted areas within the Cost Allocation Plan that determined the indirect cost received by the County. The following unallowable costs totaling \$221,772 occurred in 2013 and were included in the 2013 Cost Allocation Plan for use in 2015:

1. Supporting documentation for \$39,795 in federal expenditures (costs) was not provided for audit.
2. A transfer of \$125,618 was included in the costs in error.
3. Contributions to not-for-profits of \$51,867 were included in the costs in error.
4. Other costs of \$4,492 which were not allowable were included.

COUNTY AUDITOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

*Clerk of the Circuit Court*

Costs of \$4,924 for telephone and postage were reimbursed to the Clerk of the Circuit Court; however, those costs were also included in the Cost Allocation Plan for indirect costs of the Child Support Enforcement grant.

*Context*

*County Auditor*

Seventeen of the fifty claims tested either did not have the required supporting documentation or were unallowable costs for the County Auditor's Indirect Cost Allocation Plan.

*Clerk of the Circuit Court*

The costs for telephone and postage were included in every Monthly Expense Claim for 2015.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.420 states:

"This section provides principles to be applied in establishing the allowability of certain items involved in determining cost, in addition to the requirements of Subtitle II. Basic Considerations of this subpart. These principles apply whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost. Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost, and based on the principles described in §§200.402 Composition of costs through 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs. In case of a discrepancy between the provisions of a specific Federal award and the provisions below, the Federal award governs. Criteria outlined in §200.403 Factors affecting allowability of costs must be applied in determining allowability. See also §200.102 Exceptions."

2 CFR 200.402 states:

"*Total cost.* The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits."

COUNTY AUDITOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

2 CFR 200.434(a) states: "Costs of contributions and donations, including cash, property, and services, from the non-Federal entity to other entities, are unallowable."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the County.

*Questioned Costs*

Questioned Costs totaling \$221,772 were identified.

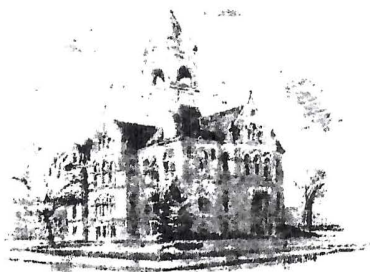
*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and Allowable Costs/Cost Principles compliance requirement.

We also recommended that the County comply with the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



*LaPorte County Auditor  
Joie Winski  
555 Michigan Avenue, Suite 205  
LaPorte, IN 46350-3490*

**CORRECTIVE ACTION PLAN**

***FINDING 2015-001***

Contact Person Responsible for Corrective Action: Jo Eileen Winski  
Contact Phone Number: 219-326-6808 ext 2226

Views of Responsible Official:

Concur

Description of Corrective Action Plan:

The County has reallocated duties among current staff, the Chief Deputy Auditor and Auditor. Supporting documentation for the reconciliation of property taxes is retained in the Auditor's office.

Claims are presented to the Board of Commissioners at their bimonthly meetings. There are claims processed for the two week period between the Commissioner's second monthly meeting and the end of December (end of the year) that normally are approved and paid at the first meeting of the new year. This current procedure allows for the funds allocated for that period (year) to be used instead of using budgeted funds in the new year.

A Resolution will be presented to the Board of Commissioners to approve claims through the end of the year with the approval reviewed in January or before.

An Internal Control Ordinance has been passed by the Board of Commissioners and will be distributed to all departments. It will require action on the part of each department and will be monitored by the Auditor's office.

The financial statement is reconciled and reviewed weekly by the financial team including the Chief Deputy Auditor and Auditor. All transfers are approved and signed by the Auditor.

Having experienced a theft within the former Auditor's term of office and spending 2.5 years with the FBI in my office because of the theft, this Auditor is very aware of internal controls and cross checks within the department.

Funds ledger has been corrected and will include all funds in future. Coding of funds has been corrected and changes have been made to fund names to correct duplicates. Financial vendor has been contacted and asked to include all funds in Annual Report upload for future years.

CAR reports will be cross checked more thoroughly to insure compliancy and accurate reporting.

Audit adjustments proposed by the SBOA were accepted and corrections made.

Anticipated Completion Date: Immediate

**FINDING 2015-002**

Contact Person Responsible for Corrective Action: Jo Eileen Winski  
Contact Phone Number: 219-326-6808 ext 2226

Views of Responsible Official:

Concur

Description of Corrective Action Plan:

Audit adjustments have been made as proposed by the SBOA. Staff changes have been made and cross training is taking place. County has initiated an improved recording keeping system using excel spread sheets as well as financial software already in use. Auditor reviews and signs on an as needed basis – daily, weekly, monthly.

Grants go directly to department heads (applicant). Auditor will issue memo to all department heads (recipients) on new procedures.

One suggestion that would be helpful, the AOS needs to be more specific with ACH deposits specifying exact loan number and name.

Anticipated Completion Date:

Immediate

**FINDING 2015-007**

Contact Person Responsible for Corrective Action: Jo Eileen Winski  
Contact Phone Number: 219-326-6808 ext 2226

Views of Responsible Official:

Concur

Description of Corrective Action Plan:

Auditor will insist when reviewing the County's Cost Allocation plan that the vendor explain all entries in depth. County believes that some costs were included in the plan and should not have been.

All documentation for claim is required for payment. Documentation is attached to purchase order when filed.

County accepts the recommendation by the SBOA and has established controls and segregation of duties related to the grant agreement and allowable costs/cost principles for compliancy. Staff changes have been made.

Anticipated Completion Date:

Immediate

*Jo Eileen Winski*

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Jo Eileen Winski

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March 10, 2017

COUNTY AUDITOR  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The financial statement presented in the Financial Statement and Federal Single Audit Report included the Lp Co Pioneer Cemetery Comm fund and the Payroll Deductions Fund with overdrawn cash balances at December 31, 2015, of \$8,461 and \$674,620, respectively.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

**APPROPRIATIONS**

The records presented for audit indicated the following funds with expenditures in excess of budgeted appropriations:

Fund	Excess Amount Expended
General Fund	\$ 970,943
County Health Dept.	305,196
Lp Co Pioneer Cemetery Comm	11,573
Sheriffs Pension Fee Fund	51,687

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**LOCAL APPROPRIATIONS**

Due to the nature of the funds, the Department of Local Government Finance does not require approval of additional appropriations for certain local funds. These require only the approval of the County Council. The CAGIT Certified Shares fund received a budget that was approved by the County Council; however, expenditures exceeded the approved budget by \$504,958.

The County also expended \$1,401 from the Vehicle Inspection Fund without a budget approved by the County Council.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

Indiana Code 36-2-5-2(b) states: "The county fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law."

COUNTY AUDITOR  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

**ENCUMBRANCES**

The County routinely transferred or "rolled-over" the unused portion of any budget at the end of a calendar year into the new calendar year without proper encumbrances to substantiate the increased appropriation. The following funds did "roll-over" a budget without proper encumbrances by the amounts indicated below:

Fund	Amount Rollover
Real Estate Endorsement Fee	\$ 119,619
Vehicle Inspection Fund	2,018
Pros. Pretrial Div. & Deferral	33,424

Appropriations may be carried forward to the following year if any of the following conditions exist:

1. A lawful contract has been entered into with a vendor or contractor on or before December 31 and all or a part of the contract has not been paid.
2. A purchase order has been issued on or before December 31, entered as an encumbrance against an existing appropriation, and is unpaid as of December 31.
3. Proceeds of a bond issue have been duly appropriated and remain unexpended as of December 31.
4. Appropriations which are obligated by a contract or agreement executed on or before December 31, between the County and any federal or state agency, such as a criminal justice planning grant, local road and street project, or federal grant requiring local matching funds.

Only the amount required to meet the balance due on a contract or purchase order may be carried forward; the amount remaining in the appropriation account shall revert to fund from which appropriated. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 9)

**PAYROLL COMPLIANCE**

Employees' compensation, hours, and leave time were reported to the County Auditor's office by the departments' payroll clerks for payroll processing on the Friday prior to the pay date, which is on the following Friday. Salaried employees were paid for 1/26<sup>th</sup> of the approved salary ordinance amount beginning on the first Friday of the calendar year irrespective of the number of days worked prior to that first Friday.

In several other instances, the County did not follow its ordinance and policy.

1. The County had an ordinance which established salaries. The ordinance did not state the salary for a part-time or a full-time deputy prosecutor. In the County Council minutes, the Council approved a deputy prosecutor to be moved from a part-time position to a full-time position, but did not specify a salary.

COUNTY AUDITOR  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

2. In the ordinance described above, each department that offered part-time/seasonal positions listed a total budget for those positions. The ordinance did not specify a salary or a rate of pay for those positions. The employee's wage was determined not by the Council, but by the department head up to a maximum of \$10.80 per hour.
3. In the County's Employment Handbook of Policies and Procedures, it is stated that only full-time employees are eligible to receive benefits. As defined in this Handbook, full-time employees are scheduled to work on average 37.5 hours per week or more. There were multiple employees who were considered part-time employees but received benefits reserved for full-time employees.

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

### **RIVERBOAT FUNDS**

The County passed Ordinance 2002-03 and Ordinance 2013-15, both of which stated that 50 percent of all Riverboat Funds shall immediately be placed, or shall be paid immediately, into the LaPorte County Emergency Reserve Fund. The County passed Ordinance 2016-7 which amended the LaPorte County Emergency Reserve Fund to the Rainy Day Fund. These ordinances were not in compliance with Indiana Code 4-33-12-6(e)(1) for riverboat gambling admission taxes or Indiana Code 36-1-8-5.1(b) for rainy day funds.

Indiana Code 4-33-12-6 states in part:

- ". . . (e) Money paid to a unit of local government under subsection (b), (c), or (d):
- (1) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both; . . ."

Indiana Code 36-1-8-5.1(b) states:

"An ordinance or a resolution adopted under this section must specify the following:

- (1) The purposes of the rainy day fund.

COUNTY AUDITOR  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

(2) The sources of funding for the rainy day fund, which may include the following:

(A) Unused and unencumbered funds under:

- (i) section 5 of this chapter;
- (ii) IC 6-3.5-1.1-21.1;
- (iii) IC 6-3.5-6-17.3; or
- (iv) IC 6-3.5-7-17.3.

(B) Any other funding source:

- (i) specified in the ordinance or resolution adopted under this section; and
- (ii) not otherwise prohibited by law."

***TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS***

The County entered into a trust indenture in 2010 for the Lifeplex Executive Park which required semiannual interest payments beginning February 1, 2011. The County failed to make the required interest payments totaling \$297,500 from 2011 through February 1, 2015. The County made its first interest payment of \$70,000 on June 29, 2015, for the August 1, 2015, due date.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

COUNTY AUDITOR  
LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2017, with Andrea Smith, Chief Deputy County Auditor; Richard Mrozinski, President of the Board of County Commissioners; Randall Novak, Vice President of the County Council; and Douglas L. Biege, Attorney for the Board of County Commissioners.

COUNTY TREASURER  
LAPORTE COUNTY

COUNTY TREASURER  
LAPORTE COUNTY  
FEDERAL FINDING

**FINDING 2015-003 - FINANCIAL TRANSACTIONS AND REPORTING - COUNTY TREASURER**

*Condition*

There were several deficiencies in the internal control system of the County related to financial transactions and reporting of the County Treasurer.

1. Lack of Segregation of Duties: The County Treasurer had not separated incompatible activities related to the recording and processing of property taxes. One person reconciled property taxes but did not retain the documents that supported the reconciliation.
2. Monitoring of Controls: The County Treasurer had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would have required the County Treasurer to monitor and assess the quality of the system of internal control.
3. Preparation of Financial Statement: The County Treasurer had not identified risks to the preparation of a reliable financial statement and, as a result, failed to design effective controls over the preparation of the Supplemental Annual Report to prevent, or detect and correct, material misstatements.

The County Treasurer did not prepare and submit a Supplemental Annual Report for inclusion in the County's Annual Financial Report (AFR) and financial statement. As noted in Finding 2015-001, the Treasurer Cash Book Fund was not reported in the AFR or financial statement.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

COUNTY TREASURER  
LAPORTE COUNTY  
FEDERAL FINDING  
(Continued)

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

- Accurate and timely recording of transactions. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

*Cause*

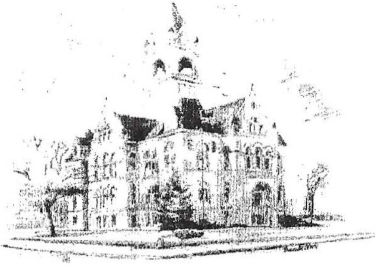
Management of the County Treasurer had not established a proper system of internal control. An evaluation of the County Treasurer's system of internal control had not been conducted. Additionally, management had not conducted a risk assessment related to the County Treasurer's financial transactions and reporting.

*Effect*

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County Treasurer at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



*LaPorte County Treasurer  
Lynne F. Spevak  
555 Michigan Avenue, Suite 102  
LaPorte, IN 46350-3491*

## **CORRECTIVE ACTION PLAN**

### **FINDING 2015-003**

Contact Person Responsible for Corrective Action: Lynne F. Spevak  
Contact Phone Number: (219) 325-5575

#### **View of Responsible Official:**

- 1. The Treasurer's office retained the 49TC report, Llow Software Distribution list and Quietuses of all tax districts.**
- 2. Rights and Permissions are given to staff in the software system to process payments.**
- 3. CAR-1 report was not prepared.**

#### **Description of Corrective Action Plan:**

The new Treasurer will monitor the financial system and evaluate the internal control on a daily basis. The Supplemental Annual Report will be submitted on an annual basis.

**Anticipated Completion Date.** The Treasurer will be working with the County Auditor to understand our deficiencies in internal controls.

Lynne F. Spevak  
La Porte County Treasurer  
March 20, 2017

COUNTY TREASURER  
LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2017, with Lynne Spevak, County Treasurer, and Mike Mauer, Chief Deputy County Treasurer.

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CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
FEDERAL FINDINGS

**FINDING 2015-004 - FINANCIAL TRANSACTIONS AND  
REPORTING - CLERK OF THE CIRCUIT COURT**

*Condition*

There were several deficiencies in the internal control system of the County related to financial transactions and reporting of the Clerk of the Circuit Court (Clerk).

1. Lack of Segregation of Duties: The Clerk had not separated incompatible activities related to bank reconciliations, receipts, and disbursements.
  - a. One employee from the Clerk's office in LaPorte took the daily collections to the depository, recorded the receipts and disbursements, and completed the monthly bank reconciliations for the Odyssey accounting software. One employee from the Clerk's office in Michigan City took the daily collections to the depository and recorded the receipts and disbursements for the Odyssey accounting software. There was no segregation of duties, such as an oversight, review, or approval process over the bank reconciliations and receipts and disbursements transactions.
  - b. The Clerk had not established effective controls to accurately reconcile the Indiana Support Enforcement Tracking System (ISETS) ledger balance to the depository balance. The monthly reconciliations were performed without review and contained miscellaneous reconciling items that had no supporting documentation, including some from 2013.
  - c. One employee at both of the Clerk's offices receipted in daily collections, reconciled daily collections, and made the deposits for ISETS. A daily book balance report listing both offices' collections was not compared to the supporting documentation of the actual deposits with the bank. One employee issued all ISETS disbursements for both offices with no oversight or review.
2. Monitoring of Controls: The Clerk had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would have required the Clerk to monitor and assess the quality of the system of internal control.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

- Accurate and timely recording of transactions. . . ."

Indiana Code 5-13-6-1(e) states: "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."

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

*Cause*

Management of the Clerk had not established a proper system of internal control. An evaluation of the Clerk's system of internal control had not been conducted and management had not conducted a risk assessment related to the Clerk's financial reporting and transactions.

***FINDING 2015-007 - ALLOWABLE COSTS/COST PRINCIPLES***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 2015  
Pass-Through Entity: Indiana Department of Child Services

This is a repeat of finding number 2014-007 from the immediate prior year.

*Condition*

An effective internal control system was not in place at the County to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The controls to determine if expenditures were an allowable cost were not effective.

*County Auditor*

The principles for allowable costs apply whether or not a particular item of cost is properly treated as a direct cost or an indirect (F&A) cost. These costs were allocated to specific benefitted areas within the Cost Allocation Plan that determined the indirect cost received by the County. The following unallowable costs totaling \$221,772 occurred in 2013 and were included in the 2013 Cost Allocation Plan for use in 2015:

1. Supporting documentation for \$39,795 in federal expenditures (costs) was not provided for audit.

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

2. A transfer of \$125,618 was included in the costs in error.
3. Contributions to not-for-profits of \$51,867 were included in the costs in error.
4. Other costs of \$4,492 which were not allowable were included.

*Clerk of the Circuit Court*

Costs of \$4,924 for telephone and postage were reimbursed to the Clerk of the Circuit Court; however, those costs were also included in the Cost Allocation Plan for indirect costs of the Child Support Enforcement grant.

*Context*

*County Auditor*

Seventeen of the fifty claims tested either did not have the required supporting documentation or were unallowable costs for the County Auditor's Indirect Cost Allocation Plan.

*Clerk of the Circuit Court*

The costs for telephone and postage were included in every Monthly Expense Claim for 2015.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.420 states:

"This section provides principles to be applied in establishing the allowability of certain items involved in determining cost, in addition to the requirements of Subtitle II. Basic Considerations of this subpart. These principles apply whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost. Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost, and based on the principles described in §§200.402 Composition of costs through 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs. In case of a discrepancy between the provisions of a specific Federal award and the provisions below, the Federal award governs. Criteria outlined in §200.403 Factors affecting allowability of costs must be applied in determining allowability. See also §200.102 Exceptions."

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

2 CFR 200.402 states:

"*Total cost.* The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

2 CFR 200.434(a) states: "Costs of contributions and donations, including cash, property, and services, from the non-Federal entity to other entities, are unallowable."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the County.

*Questioned Costs*

Questioned Costs totaling \$221,772 were identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and Allowable Costs/Cost Principles compliance requirement.

We also recommended that the County comply with the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-008 - REPORTING**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY2015  
Pass-Through Entity: Indiana Department of Child Services

This is a repeat of finding number 2014-008 from the immediate prior year.

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. There were no controls for the County Prosecutor's office to ensure that required reports were accurate prior to submission. The controls for the Clerk of the Circuit Court's (Clerk) office were not effective to ensure that required reports were accurate prior to submission.

*Clerk of the Circuit Court*

1. The Clerk's office did not submit a Quarterly Incentive Expenditure report for the first quarter in 2015.
2. The Quarterly Incentive Expenditure report for the second quarter was not completed correctly and it was not supported by the County's financial records.
3. The Quarterly Incentive Expenditure report for the third quarter included adjustments for the prior quarter that were not supported by the County's financial records.
4. There was no documentation that the Clerk's office submitted the Quarterly Incentive Balance reports for 2015.

*Context*

*County Prosecutor*

The lack of effective controls was a systemic problem.

*Clerk of the Circuit Court*

One Quarterly Incentive Expenditure report was not completed, one was not completed correctly, and one was not supported by the County's financial records. None of the Quarterly Incentive Balance reports were submitted for 2015.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . .

(b) The financial management system of each non-Federal entity must provide for the following. . .

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement or the compliance requirements. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the County.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirement.

We also recommended that the County comply with the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



**Kathleen A. Chroback, Clerk**

*Chief Deputy*  
Roberta Hartz

**LaPorte Circuit Court**

(219) 326-6808, Ext. 2385

CIRCUIT COURT DIVISION  
COURTHOUSE  
813 LINCOLNWAY, SUITE 105  
LAPORTE, IN 46350-3492  
(219) 326-6808  
Ext. 2236 & 2259

**CORRECTIVE ACTION PLAN**

***FINDING 2015-004***

Fiscal year in which finding initially occurred: 2015

Contact Person Responsible for Corrective Action: Kathleen A. Chroback

Contact Phone Number: (219) 326-6808 X2385

Description of Corrective Action Plan:

1. a. We have one bookkeeper at both locations. We have since made changes as to reviewing and the approval process at both locations.

b. The finding has not been totally corrected. The finding was communicated to us during the most recent audit which was completed in November 2016 and we have not had time to develop and implement new procedures to address this issue.

c. Changes have been made since this finding. The support clerk checks the balance daily with the actual deposits made at the bank for both Clerks Offices. The daily collection is reconciled by the Clerk and again the following day by the chief deputy. The deposit for ISETS is made by the bookkeeper. The supporting documentation is checked the following morning to the actual deposit by both the support clerk and the bookkeeper.

2. This finding was communicated to us during the most recent audit which was completed in November 2016 and we have not had time to develop and implement new procedures to address this issue.

Anticipated Completion Date:

Correction of a and c have been made in the first quarter of 2017.

Anticipated correction date of b is in the second quarter of 2017.

Anticipated correction date of No. 2 is in the second quarter of 2017.

***FINDING 2015-007***

Fiscal year in which finding initially occurred: 2015

Contact Person Responsible for Corrective Action: Kathleen A. Chroback

Contact Phone Number: (219) 326-6808 x2385

Description of Corrective Action Plan:

This finding was communicated to us during the most recent audit which was completed in November 2016 and we have not had time to develop and implement new procedures to address this issue. We will be meeting with the Auditor in the near future to discuss this matter.

Anticipated Completion Date:  
Correction of this finding will be in the second quarter of 2017.

**FINDING 2015-008**

Fiscal year in which finding initially occurred: 2015  
Contac Person Responsible for Corrective Action: Kathleen A. Chrobak  
Contact Phone Number: (219) 326-6808 x2385

Description of Corrective Action Plan:  
The finding was communicated to us during the most recent audit which was completed in November 2016. The Quarterly Incentive Expenditure report was not accurate to what had been paid out in 2015.

Anticipated Completion Date:  
Correction of this finding was done in 2016.

Kathleen A. Chrobak  
(Signature)  
Circuit Court Clerk  
(Title)  
3/20/2017  
(Date)

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
AUDIT RESULT AND COMMENT

**OFFICIAL BOND**

The Clerk of the Circuit Court did not obtain an individual Surety Bond during the audit period, nor did the County Council approve an ordinance authorizing the purchase of a blanket bond or a crime insurance policy.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond: . . .

(3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.  
. . .

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).  
. . ."

CLERK OF THE CIRCUIT COURT  
LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2017, with Kathleen Chroback, Clerk of the Circuit Court; Lynne Spevak, County Treasurer and former Clerk of the Circuit Court; and Marie A. Wiltfong, Deputy Child Support.

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COUNTY SHERIFF  
LAPORTE COUNTY

COUNTY SHERIFF  
LAPORTE COUNTY  
FEDERAL FINDING

**FINDING 2015-005 - FINANCIAL TRANSACTIONS AND REPORTING - COUNTY SHERIFF**

*Condition*

There were several deficiencies in the internal control system of the County related to financial transactions and reporting of the County Sheriff's Department (Sheriff).

1. Lack of Segregation of Duties: The Sheriff had not separated incompatible activities related to receipts and disbursements for the Sheriff's Commissary Fund and the Inmate Trust fund. One employee was primarily responsible for the receipts and disbursements transactions.
2. Monitoring of Controls: The Sheriff had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would have required the Sheriff to monitor and assess the quality of the system of internal control.
3. Preparation of Financial Statement: There were no controls in place to ensure that an accurate Supplemental Annual Report was prepared by the Sheriff for inclusion in the County's Annual Financial Report or financial statement.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

COUNTY SHERIFF  
LAPORTE COUNTY  
FEDERAL FINDING  
(Continued)

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

- Accurate and timely recording of transactions. . . ."

*Cause*

Management of the Sheriff had not established a proper system of internal control. An evaluation of the Sheriff's system of internal control had not been conducted and management had not conducted a risk assessment related to the Sheriff's financial transactions and reporting.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the Sheriff at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



**JOHN T. BOYD**

# La Porte County Sheriff

**Chief Deputy**  
**RONALD C. HEEG**

**Major**  
**HEATH A. HAFERKAMP**

809 State Street, Suite 202 A  
La Porte, IN 46350  
Phone: (219) 326-7700  
(219) 879-3530  
Fax: (219) 324-6205  
Jail: (219) 362-6548  
(219) 878-9132

**FINDING 2015-005**

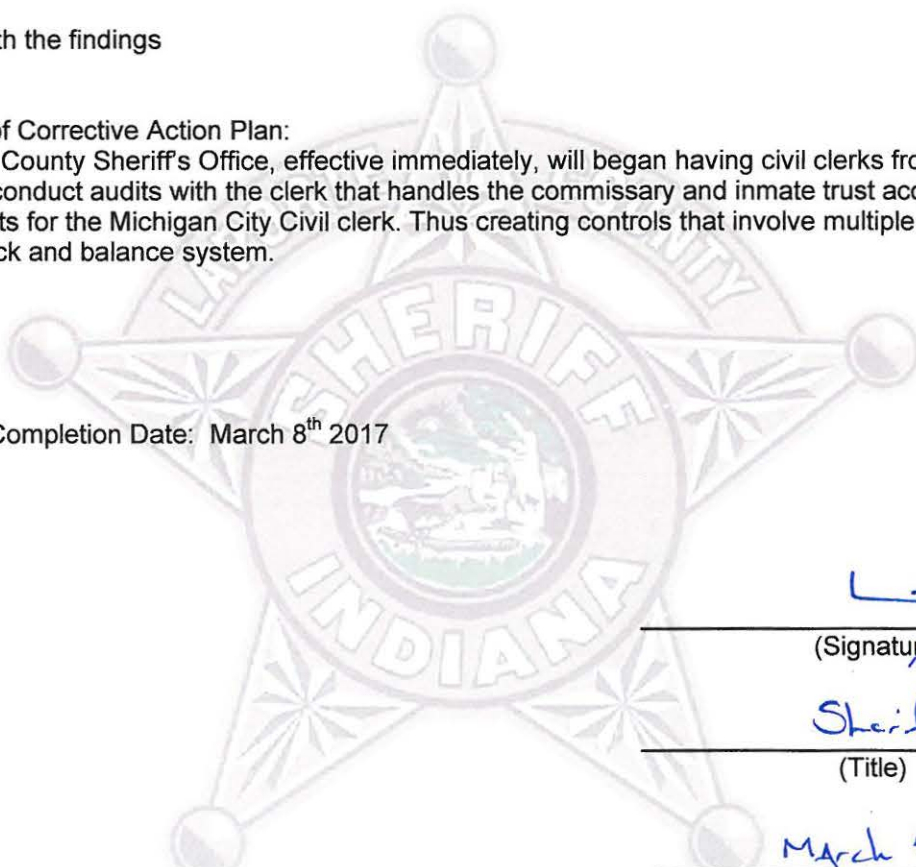
Contact Person Responsible for Corrective Action: John T. Boyd, Sheriff  
Contact Phone Number (219)326-7700

We agree with the findings

**Description of Corrective Action Plan:**

The LaPorte County Sheriff's Office, effective immediately, will began having civil clerks from the LaPorte Civil Office, conduct audits with the clerk that handles the commissary and inmate trust accounts, and conduct audits for the Michigan City Civil clerk. Thus creating controls that involve multiple employees, to create a check and balance system.

Anticipated Completion Date: March 8<sup>th</sup> 2017



*[Handwritten Signature]*

\_\_\_\_\_  
(Signature)

*Sheriff*

\_\_\_\_\_  
(Title)

*March 8, 2017*

\_\_\_\_\_  
(Date)

**·COURT OFFICES·**

LA PORTE CIRCUIT COURT · LA PORTE, IN 46350 · OFFICE PHONE: (219) 326-6808  
SUPERIOR COURT · MICHIGAN CITY, IN 46350 · OFFICE PHONE: (219) 872-2161

COUNTY SHERIFF  
LAPORTE COUNTY  
AUDIT RESULT AND COMMENT

**SHERIFF FUNDS**

The Inmate Trust Fund and Sheriff's Commissary Fund and the funds' respective bank accounts were maintained by the Administrative Assistant. Commissions from the vending companies used for inmate commissary were electronically deposited into the Inmate Trust Fund bank account. Receipts were not generated at the time of the deposit. The commissions were then transferred by check to the Sheriff's Commissary Fund bank account and receipted into the Sheriff's Commissary Fund ledger at that time. Vending commission receipts should not be deposited into the Inmate Trust Fund bank account, but should instead be deposited directly into the Sheriff's Commissary Fund bank account and appropriately accounted for in the Sheriff's Commissary Fund ledger.

In addition, as of December 31, 2015, the balance of the detailed Inmate Trust register of \$12,118 did not reconcile with the Inmate Trust Fund ledger balance of \$45,814.

All financial transaction pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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

COUNTY SHERIFF  
LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2017, with John T. Boyd, County Sheriff; Ronald C. Heeg, Chief Deputy County Sheriff; and Heath A. Haferkamp, Major.

COUNTY PROSECUTOR  
LAPORTE COUNTY

COUNTY PROSECUTOR  
LAPORTE COUNTY  
FEDERAL FINDINGS

***FINDING 2015-006 - CASH MANAGEMENT***

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY2015  
Pass-Through Entity: Indiana Department of Child Services

This is a repeat of finding number 2014-006 from the immediate prior year.

*Condition*

An effective internal control system was not in place at the County Prosecutor's office in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

*Cash Management*

The Monthly Expense Claims were prepared by the Title IV-D Executive Liaison. There was no documented review before submission.

*Context*

The lack of effective controls over Cash Management was a systemic problem.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the Cash Management compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

COUNTY PROSECUTOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-007 - ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: Department of Health and Human Services  
Federal Program: Child Support Enforcement  
CFDA Number: 93.563  
Federal Award Number and Year (or Other Identifying Number): FY 2015  
Pass-Through Entity: Indiana Department of Child Services

This is a repeat of finding number 2014-007 from the immediate prior year.

*Condition*

An effective internal control system was not in place at the County to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. The controls to determine if expenditures were an allowable cost were not effective.

*County Auditor*

The principles for allowable costs apply whether or not a particular item of cost is properly treated as a direct cost or an indirect (F&A) cost. These costs were allocated to specific benefitted areas within the Cost Allocation Plan that determined the indirect cost received by the County. The following unallowable costs totaling \$221,772 occurred in 2013 and were included in the 2013 Cost Allocation Plan for use in 2015:

1. Supporting documentation for \$39,795 in federal expenditures (costs) was not provided for audit.
2. A transfer of \$125,618 was included in the costs in error.
3. Contributions to not-for-profits of \$51,867 were included in the costs in error.
4. Other costs of \$4,492 which were not allowable were included.

*Clerk of the Circuit Court*

Costs of \$4,924 for telephone and postage were reimbursed to the Clerk of the Circuit Court; however, those costs were also included in the Cost Allocation Plan for indirect costs of the Child Support Enforcement grant.

COUNTY PROSECUTOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

*Context*

*County Auditor*

Seventeen of the fifty claims tested either did not have the required supporting documentation or were unallowable costs for the County Auditor's Indirect Cost Allocation Plan.

*Clerk of the Circuit Court*

The costs for telephone and postage were included in every Monthly Expense Claim for 2015.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.420 states:

"This section provides principles to be applied in establishing the allowability of certain items involved in determining cost, in addition to the requirements of Subtitle II. Basic Considerations of this subpart. These principles apply whether or not a particular item of cost is properly treated as direct cost or indirect (F&A) cost. Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost, and based on the principles described in §§200.402 Composition of costs through 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs. In case of a discrepancy between the provisions of a specific Federal award and the provisions below, the Federal award governs. Criteria outlined in §200.403 Factors affecting allowability of costs must be applied in determining allowability. See also §200.102 Exceptions."

2 CFR 200.402 states:

"*Total cost.* The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

COUNTY PROSECUTOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

2 CFR 200.434(a) states: "Costs of contributions and donations, including cash, property, and services, from the non-Federal entity to other entities, are unallowable."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the County.

*Questioned Costs*

Questioned Costs totaling \$221,772 were identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and Allowable Costs/Cost Principles compliance requirement.

We also recommended that the County comply with the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-008 - REPORTING***

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): FY2015

Pass-Through Entity: Indiana Department of Child Services

This is a repeat of finding number 2014-008 from the immediate prior year.

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. There were no controls for the County Prosecutor's office to ensure that required reports were accurate prior to submission. The controls for the Clerk of the Circuit Court's (Clerk) office were not effective to ensure that required reports were accurate prior to submission.

*Clerk of the Circuit Court*

1. The Clerk's office did not submit a Quarterly Incentive Expenditure report for the first quarter in 2015.

COUNTY PROSECUTOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

2. The Quarterly Incentive Expenditure report for the second quarter was not completed correctly and it was not supported by the County's financial records.
3. The Quarterly Incentive Expenditure report for the third quarter included adjustments for the prior quarter that were not supported by the County's financial records.
4. There was no documentation that the Clerk's office submitted the Quarterly Incentive Balance reports for 2015.

*Context*

*County Prosecutor*

The lack of effective controls was a systemic problem.

*Clerk of the Circuit Court*

One Quarterly Incentive Expenditure report was not completed, one was not completed correctly, and one was not supported by the County's financial records. None of the Quarterly Incentive Balance reports were submitted for 2015.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

(b) The financial management system of each non-Federal entity must provide for the following. . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements . . ."

COUNTY PROSECUTOR  
LAPORTE COUNTY  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement or the compliance requirements. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the County.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirement.

We also recommended that the County comply with the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



# JOHN M. ESPAR PROSECUTING ATTORNEY

32<sup>ND</sup> JUDICIAL CIRCUIT ~ LA PORTE COUNTY, INDIANA

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-006***

Contact Person Responsible for Corrective Action: Barry F. McDonnell  
Contact Phone Number: (219) 874-5611 ext. 7827

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

A Deputy Prosecuting Attorney will review the Monthly Expense Claims prepared the IV-D Executive Liaison. Upon approval of the accuracy of the Claims the Deputy will mark the claims with his initials to indicate he performed the review.

Anticipated Completion Date: The Corrective Action Plan is already being utilized.

### ***FINDING 2015-007***

Contact Person Responsible for Corrective Action: Kristina E. Armstrong and Barry F. McDonnell  
Contact Phone Number: (219) 874-5611 ext. 7810

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

A Deputy Prosecuting Attorney will review the prepared attendance worksheets and vendor claims. Upon approval of the accuracy of the form/claim the Deputy will mark the form/claim with her initials to indicate he performed the review.

Anticipated Completion Date: The Corrective Action Plan is already being utilized.

### ***FINDING 2015-008***

Contact Person Responsible for Corrective Action:  
Contact Phone Number:

Views of Responsible Official: Kristina E. Armstrong

Child Support Division  
300 Washington Street, Suite 20 ~ Michigan City, Indiana 46360-3311  
Facsimile (219) 873-3017 ~ Telephone (219) 874-5611 Ext. 7810

Website: [www.laportecountyprosecutor.org](http://www.laportecountyprosecutor.org) ~ Email: [karmstrong@laportecounty.org](mailto:karmstrong@laportecounty.org)

Description of Corrective Action Plan:

A Deputy Prosecuting Attorney will review the required reports prepared the IV-D Executive Liaison or other support staff. Upon approval of the accuracy of the required reports the Deputy will mark the claims with her initials to indicate he performed the review.

Anticipated Completion Date: The Corrective Action Plan is already being utilized.

March 20, 2017

Date

COUNTY PROSECUTOR  
LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2017, with Kristina Armstrong, Deputy County Prosecutor.

COUNTY COUNCIL  
LAPORTE COUNTY

COUNTY COUNCIL  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS

**LOCAL APPROPRIATIONS**

Due to the nature of the funds, the Department of Local Government Finance does not require approval of additional appropriations for certain local funds. These require only the approval of the County Council. The CAGIT Certified Shares fund received a budget that was approved by the County Council; however, expenditures exceeded the approved budget by \$504,958.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

Indiana Code 36-2-5-2(b) states: "The county fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law."

**ENCUMBRANCES**

The County routinely transferred or "rolled-over" the unused portion of any budget at the end of a calendar year into the new calendar year without proper encumbrances to substantiate the increased appropriation. The following funds did "roll-over" a budget without proper encumbrances by the amounts indicated below:

Fund	Amount Rolled- Over
Real Estate Endorsement Fee	\$ 119,619
Vehicle Inspection Fund	2,018
Pros. Pretrial Div. & Deferral	33,424

Appropriations may be carried forward to the following year if any of the following conditions exist:

1. A lawful contract has been entered into with a vendor or contractor on or before December 31 and all or a part of the contract has not been paid.
2. A purchase order has been issued on or before December 31, entered as an encumbrance against an existing appropriation, and is unpaid as of December 31.
3. Proceeds of a bond issue have been duly appropriated and remain unexpended as of December 31.
4. Appropriations which are obligated by a contract or agreement executed on or before December 31, between the County and any federal or state agency, such as a criminal justice planning grant, local road and street project, or federal grant requiring local matching funds.

Only the amount required to meet the balance due on a contract or purchase order may be carried forward; the amount remaining in the appropriation account shall revert to fund from which appropriated. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 9)

COUNTY COUNCIL  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

**PAYROLL COMPLIANCE**

Employees' compensation, hours, and leave time were reported to the County Auditor's office by the departments' payroll clerks for payroll processing on the Friday prior to the pay date, which is on the following Friday. Salaried employees were paid for 1/26<sup>th</sup> of the approved salary ordinance amount beginning on the first Friday of the calendar year irrespective of the number of days worked prior to that first Friday.

In several other instances, the County did not follow its ordinance and policy.

1. The County had an ordinance which established salaries. The ordinance did not state the salary for a part-time or a full-time deputy prosecutor. In the County Council minutes, the Council approved a deputy prosecutor to be moved from a part-time position to a full-time position, but did not specify a salary.
2. In the ordinance described above, each department that offered part-time/seasonal positions listed a total budget for those positions. The ordinance did not specify a salary or a rate of pay for those positions. The employee's wage was determined not by the Council, but by the department head up to a maximum of \$10.80 per hour.
3. In the County's Employment Handbook of Policies and Procedures, it is stated that only full-time employees are eligible to receive benefits. As defined in this Handbook, full-time employees are scheduled to work on average 37.5 hours per week or more. There were multiple employees who were considered part-time employees but received benefits reserved for full-time employees.

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

**RIVERBOAT FUNDS**

The County passed Ordinance 2002-03 and Ordinance 2013-15, both of which stated that 50 percent of all Riverboat Funds shall immediately be placed, or shall be paid immediately, into the LaPorte County Emergency Reserve Fund. The County passed Ordinance 2016-7 which amended the LaPorte County Emergency Reserve Fund to the Rainy Day Fund. These ordinances were not in compliance with Indiana Code 4-33-12-6(e)(1) for riverboat gambling admission taxes or Indiana Code 36-1-8-5.1(b) for rainy day funds.

COUNTY COUNCIL  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 4-33-12-6 states in part:

- " . . . (e) Money paid to a unit of local government under subsection (b), (c), or (d):
- (2) must be paid to the fiscal officer of the unit and may be deposited in the unit's general fund or riverboat fund established under IC 36-1-8-9, or both; . . ."

Indiana Code 36-1-8-5.1(b) states:

"An ordinance or a resolution adopted under this section must specify the following:

- (1) The purposes of the rainy day fund.
- (2) The sources of funding for the rainy day fund, which may include the following:
  - (A) Unused and unencumbered funds under:
    - (i) section 5 of this chapter;
    - (ii) IC 6-3.5-1.1-21.1;
    - (iii) IC 6-3.5-6-17.3; or
    - (iv) IC 6-3.5-7-17.3.
  - (B) Any other funding source:
    - (i) specified in the ordinance or resolution adopted under this section; and
    - (ii) not otherwise prohibited by law."

**TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS**

The County entered into a trust indenture in 2010 for the Lifplex Executive Park which required semi-annual interest payments beginning February 1, 2011. The County failed to make the required interest payments totaling \$297,500 from 2011 through February 1, 2015. The County made its first interest payment of \$70,000 on June 29, 2015, for the August 1, 2015, due date.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

COUNTY COUNCIL  
LAPORTE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

**OFFICIAL BOND**

The Clerk of the Circuit Court did not obtain an individual Surety Bond during the audit period, nor did the County Council approve an ordinance authorizing the purchase of a blanket bond or a crime insurance policy.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond: . . .

(3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.  
...

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).  
..."

COUNTY COUNCIL  
LAPORTE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2017, with Andrea Smith, Chief Deputy County Auditor; Randall Novak, Vice President of the County Council; and Douglas L. Biege, Attorney for the Board of County Commissioners.