

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

AUDIT REPORT

OF

COUNTY SHERIFF

CLAY COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED

09/24/2008

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|-----------------------------|-------------|
| County Officials | 2 |
| Transmittal Letter | 3 |
| Audit Results and Comments: | |
| Bank Reconciliations | 4 |
| Inmate Trust Records | 4 |
| Exit Conference..... | 5 |
| Official Response | 6 |

COUNTY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|-------------------|----------------------|
| Sheriff | Michael W. Heaton | 01-01-07 to 12-31-10 |
| President of the County Council | Mike McCullough | 01-01-07 to 12-31-08 |
| President of the Board of County Commissioners | Charles Brown | 01-01-07 to 12-31-08 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF CLAY COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2007 to December 31, 2007, 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 Clay County for the year 2007.

STATE BOARD OF ACCOUNTS

August 7, 2008

COUNTY SHERIFF
CLAY COUNTY
AUDIT RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

As stated in the prior Report B29972, depository reconciliations of the fund balances to the bank account balances were incorrect.

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

INMATE TRUST RECORDS

As stated in the prior Report B29972, individual inmate records are kept as a subsidiary record to the Inmate Trust Ledger. The ledger currently reconciles with the bank, but the subsidiary record total amount is less than the ledger by \$4,876.

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

COUNTY SHERIFF
CLAY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2008, with Michael W. Heaton, Sheriff; and Dee Smiley, Matron. The official response has been made a part of this report and may be found on page 6.

Clay County

Michael W. Heaton,
Sheriff



SHERIFF

INDIANA

Date: 12th of August 2008

To: State Board of Accounts
302 West Washington St.
Room E 418
Indianapolis, Indiana 46204-2765

From: Sheriff Michael W. Heaton
Clay County Sheriff's Office
611 E. Jackson Street
Brazil, Indiana 47834

Re: OFFICIAL RESPONSE

To Whom It May Concern,

This letter is in response to the Field Examiners findings. It mentions that the Sheriff's Trust Fund and the monthly reconcile do not match. The Matron does in fact do a monthly reconcile in accordance to the law and with the bank statements. The fact is there is \$12000.00 plus in excess in the fund that we do not know where it goes. This is a result of the former Matron using the program Quicken, that had shown to her by a Field Examiner, and there was apparently no audit done in 2004, as to my understanding. The former Sheriff then purchased the Lieberman System at the end of 2004, and was approved for the Clay County Sheriff's Department use in 2005 by the State Board of Accounts. The figures that were entered into the system at that time are unknown if correct or not.

As you are aware there was a response last year to the audit that was conducted. We have followed the instructions given to us by the Field Examiner as a result of last year's audit. We will continue to work to find out where this excess \$12,000.00 plus goes.

Sincerely,

A handwritten signature in black ink that reads "Michael W. Heaton".

Michael W. Heaton
Sheriff of Clay County

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Brazil, Indiana 47834
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