

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

AUDIT REPORT

OF

COUNTY SHERIFF

HARRISON COUNTY, INDIANA

January 1, 2009 to December 31, 2011



**FILED**  
08/01/2012



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Sheriff	George Mike Deatrick	01-01-07 to 12-31-10
	(Vacant)	01-01-11 to 01-10-11
	Rodney Seelye	01-11-11 to 12-31-14
President of the County Council	Chris Timberlake	01-01-09 to 12-31-10
	Gary Davis	01-01-11 to 12-31-12
President of the Board of County Commissioners	James Goldman	01-01-09 to 12-31-12



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF HARRISON COUNTY

We have audited the records of the County Sheriff for the period from January 1, 2009 to December 31, 2011, 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 Harrison County for the years 2009, 2010, and 2011.

STATE BOARD OF ACCOUNTS

July 16, 2012

COUNTY SHERIFF  
HARRISON COUNTY  
AUDIT RESULTS AND COMMENTS

***PENALTIES, INTEREST, AND OTHER CHARGES***

The Sheriff's Department had a Visa credit card that it used for purchases, and to cover expenses of employees of the Sheriff's Department when in travel status. Finance charges totaling \$976.92 during 2009 and \$1,040.39 during 2010 were incurred on the credit card used by the Sheriff's Department. The balance on the credit card is not being paid in full each month because some receipts were not being properly remitted to support charges on the credit card statement therefore, finance charges were being applied. In addition, the amounts repaid for finance charges incurred in prior periods was not being applied to the credit card balance, which caused the balance the finance charges were being calculated on to be inflated. On March 31 2011, the current County Sheriff used commissary funds in the amount of \$5,782.62 to pay off the outstanding balance of the Visa Credit card, so that no more finance charges would be incurred and closed the account. On February 7, 2011, the Board of County Commissioners passed Ordinance No. 2011-03 authorizing the acquisition of a new credit card account and four credit cards by the Harrison County Sheriff's Department.

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 governmental 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 governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

***EXCESSIVE AND UNREASONABLE COSTS***

In July of 2009, former Deputy John Britton was placed on Administrative Leave by the former County Sheriff, George Mike Deatrick. No determination could be found to indicate whether the leave was to be paid or unpaid. During the period July to October 2009, former Deputy Britton continued to be paid his regular salary, although it does not appear that he was working and the pay vouchers submitted indicated that he was on "Administrative Leave." On October 19, 2009, the Board of County Commissioners at their regular board meeting approved a motion to hold all payroll checks for former Deputy Britton as of October 23, 2009, since several written requests for clarification of the issue were sent to the former County Sheriff by the County Attorney and the Board of County Commissioners and went unanswered. Although former Deputy Britton was included on the approved payrolls submitted by the Sheriff's Department, all checks issued from October 23, 2009 to November 1, 2010, were held by the County Auditor's office and secured in a lock box at the bank. Former Deputy Britton received a Form W-2 for the year 2009, which included the payroll checks issued between October 23, 2009 and December 31, 2009, currently being held in the lock box. The County Auditor's office will need to contact the Internal Revenue Service and the Indiana Department of Revenue to correct this issue for 2009 and obtain guidance for 2010.

In 2012, Harrison County hired a human resources consultant to review the payroll records of former Deputy Britton. After the review of payroll records for the pay periods in question the consultant came to the conclusion that Harrison County owed former Deputy Britton \$2,989.32 in gross wages. On June 1, 2012, check 181424 was written to former Deputy Britton for the net payroll amount of \$2,251.03.

COUNTY SHERIFF  
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AUDIT RESULTS AND COMMENTS  
(Continued)

While on administrative leave former Deputy Britton was involved in an automobile accident on December 13, 2009, in which he wrecked a County police vehicle. The repairs to the vehicle amounted to \$5,013.28, and although it was covered by the County's liability insurance, the County was required to pay the \$1,000 deductible. The \$1,000 was paid on check 153431 in March of 2010.

Also while on administrative leave, former Deputy Britton attended some training seminars out of State. During March and April of 2010, former Deputy Britton attended three conferences in Tennessee and Pennsylvania and charged travel expenses related to those conferences on a credit card paid by the County. The total expenses related to the conferences for registration fees, hotel bills, rental car, fuel, and meals amounted to \$4,419.53. Some of the expenses related to the March conferences, which totaled \$2,970.75 were submitted to the Board of County Commissioners to be approved for payment from the Sheriff's Department budget in the County General Fund, but after they were disallowed by the Board, payment was made from the Sheriff's Commissary Fund. The other conference expenses, which totaled \$1,448.78, were paid directly from the Sheriff's Commissary Fund without ever being presented to the Board of County Commissioners for payment. The check written to former Deputy Britton on June 1, 2012, gave him credit for working on the days he attended the training seminars.

The County Auditor's office received a letter dated August 4, 2010, from the Indiana Department of Workforce Development indicating that former Deputy Britton had filed for unemployment compensation. The base period for the claim was June 30, 2009 and the benefit year end was December 25, 2010. The County Auditor's office has a time sheet on file for former Deputy Britton for the bi-weekly pay period ending July 24, 2010, that indicates "Administrative Leave" and is signed by former Deputy Britton on July 24, 2010, and approved by Joyce Deatrick, former Chief of Police.

Indiana Code 36-8-10-11(a) states in part: "The sheriff may dismiss, demote, or temporarily suspend a county police officer for cause after preferring charges in writing and after a fair public hearing before the board, which is reviewable in the circuit court. Written notice of the charges and hearing must be delivered by certified mail to the officer to be disciplined at least fourteen (14) days before the date set for the hearing. . . ."

Indiana Code 36-8-10-11(b) states: "The sheriff may temporarily suspend an officer with or without pay for a period not exceeding fifteen (15) days, without a hearing before the board, after preferring charges of misconduct in writing delivered to the officer."

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

***INMATE TRUST RECORDS***

The inmate trust records are kept on a computerized system. Individual inmate records are kept as a subsidiary record to the Inmate Trust ledger. Individual inmate trust reports are run monthly. As of December 31, 2009, the balance of the individual inmate trust records, amounts identified as profits not remitted to the Sheriff's Commissary Fund, and amounts identified to be paid to Swanson for items purchased, totaled \$21,454.89. The net adjusted bank balance as of December 31, 2009, was \$41,726.53. The difference

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AUDIT RESULTS AND COMMENTS  
(Continued)

between the trust records and the net adjusted bank balance of \$20,271.64 could not be identified. As of December 31, 2011, the balance of inmate trust records of the inmates was \$19,654.21 and the net adjusted bank balance was \$39,232.26 leaving the difference of \$19,578.05 which could not be identified.

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 statement provided by the respective depositories."

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

**CREDIT CARDS**

During 2009 and 2010 the Sheriff's Department was making purchases on a credit card that had not been authorized for use by the Board of County Commissioners. In January of 2011, this credit card account was closed. On February 7, 2011, the Board of County Commissioners passed ordinance no. 2011-03 approving the use of a credit card by the County Sheriff's Department.

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

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

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HARRISON COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

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

COUNTY SHERIFF  
HARRISON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2012, with James Goldman, President of the Board of County Commissioners; Gary Davis, President of the County Council; and Rodney Seelye, Sheriff.