

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CLAY COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED
03/11/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jennifer M. Flater	01-01-20 to 12-31-22
County Treasurer	Debra James	01-01-20 to 12-31-22
Clerk of the Circuit Court	Amy E. Jordan	01-01-20 to 12-31-22
County Sheriff	Paul Harden	01-01-20 to 12-31-22
County Recorder	(Patricia) Nicole Keller	01-01-20 to 12-31-22
President of the Board of County Commissioners	Bryan Allender Marty Heffner Paul R. Sinderson Marty Heffner	01-01-20 to 06-30-20 07-01-20 to 06-30-21 07-01-21 to 12-31-21 01-01-22 to 06-30-22
President of the County Council	Larry Moss	01-01-20 to 12-31-22



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF CLAY COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Clay County (County), for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated February 28, 2022, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001.

Clay County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE
Deputy State Examiner

February 28, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF CLAY COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Clay County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2020. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the County, as of and for the year ended December 31, 2020, and the related notes to the financial statement. We issued our report thereon dated February 28, 2022, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

February 28, 2022

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

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CLAY COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children Peer Counselor FY2020	Indiana State Department of Health	10.557	A70-4-070573	\$ -	\$ 6,982
WIC SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN INFANTS AND CHILDREN FY 2020			A70-6-014322	-	146,385
Total - WIC Special Supplemental Nutrition Program for Women, Infants, and Children				-	153,367
Total - Department of Agriculture				-	153,367
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Community Development Block Grant	Office of Community and Rural Affairs	14.228	B18DC180001	-	495,000
Total - Department of Housing and Urban Development				-	495,000
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection 2018-2021	Indiana Department of Transportation	20.205	DES1500229	-	37,952
Total - Highway Planning and Construction Cluster				-	37,952
Total - Department of Transportation				-	37,952
<u>Department of Treasury</u>					
COVID-19 - Coronavirus Relief Fund CARES Provider Relief Fund	Indiana Finance Authority	21.019	FY 2020	-	849,053
Total - Department of Treasury				-	849,053
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness Bio T & Emer Prep FY2021	Indiana State Department of Health	93.069	5U90TP000521-02	-	14,916
Child Support Enforcement Title IV-D Clerk Expenditures	Indiana Department of Child Services	93.563	FY 2020	-	34,358
Clerk IV-D Incentive			FY 2020	-	9,774
Prosecutor IV-D Incentive			FY 2020	-	20,505
Co General IV-D Incentive			FY 2020	-	13,100
Title IV-D Indirect Cost			FY 2020	-	62,962
Title IV-D Prosecutor Expenditures			FY 2020	-	162,253
Total - Child Support Enforcement				-	302,952
Total - Department of Health and Human Services				-	317,868
Total federal awards expended				\$ -	\$ 1,853,240

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CLAY COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CLAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
21.019	COVID-19 - Coronavirus Relief Fund	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2020-001

Subject: Financial Transactions and Reporting - County Auditor
Audit Findings: Material Weakness, Noncompliance

Condition and Context

The County had not established effective internal controls in the County Auditor's office related to cash and investments and financial transactions and reporting.

Cash and Investments

The County had established the following internal control in the County Auditor's office related to cash and investments: the County Auditor and County Treasurer each prepared their Monthly Financial Statement, County Form 47, and compared the activity between the two offices. However, there was no evidence that this internal control procedure was performed.

CLAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Financial Transactions and Reporting

The County had established internal controls over the financial information entered in the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's financial statement; however, the internal controls were not effective. In addition, there was no evidence presented that the internal controls were completed for the financial information entered into Gateway.

Due to the lack of effective internal controls, the financial statement presented for audit did not properly reflect the financial activity of the County. An investment of \$1,000,000 was not reported and the MVH Restricted fund activity was not reported separately from the Motor Vehicle Highway fund activity.

Audit adjustments were proposed, accepted by the County, and made to the 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. . . .

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. . . ."

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

"The state examiner shall require from every audited entity 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 had not established an effective system of internal control that would have ensured proper financial transactions and reporting.

Effect

The failure to establish an effective system of internal control enabled material misstatements to remain undetected. The financial statement included the errors identified in the *Condition and Context*.

CLAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2020-002

Subject: Internal Controls over Financial Transactions and Reporting - County Treasurer
Audit Finding: Material Weakness

Condition and Context

The County had not established effective internal controls in the County Treasurer's office related to cash and investments, receipts, disbursements, and financial close and reporting.

Cash and Investments

The County Treasurer had not established a system of internal control, including segregation of duties, to ensure the accuracy of the cash reconciliation. The bank reconciliations were performed by the County Treasurer, but there was no evidence of an oversight, review, or approval process related to cash reconciliations.

Receipts

The County had established the following internal controls in the County Treasurer's office related to receipts. Daily each cashier was assigned a drawer number by the software. At the end of the day, either one of the cashiers or the County Deputy Treasurer generated a report of the daily collections. This employee then balanced the cash drawers to the report and prepared the deposit slip. The County Treasurer took the deposit to the bank. However, there was no evidence of this process being reviewed. It could not be determined who reviewed the submitted work.

Disbursements

The County Treasurer had established a system of internal control, including segregation of duties, to ensure the accuracy of disbursements reported in its Supplemental Annual Financial Report to the County Auditor. The County Treasurer performed a bank reconciliation at December 31, 2019, for which the cash balance of the after settlement collections was appropriately shown as the source of the current year disbursement, but there was no evidence of an oversight, review, or approval process.

Financial Close and Reporting

The County Treasurer had established a system of internal control, including segregation of duties, to ensure that the Supplemental Annual Financial Report prepared and provided to the County Auditor was accurate. However, there was no evidence of an oversight, review, or approval process before submission to the County Auditor.

CLAY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(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. . . ."

Cause

Management had not established a proper system of internal controls that would have ensured proper financial transactions and reporting.

Effect

The failure to establish a system of internal controls could have enabled material misstatements or irregularities to remain undetected.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



JENNIFER M FLATER
AUDITOR OF CLAY COUNTY
609 EAST NATIONAL AVE
ROOM 105
BRAZIL IN 47834
812-448-9097

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2019-001

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

After the 2019 audit the Auditor's Office now has multiple people sign off (the person puts their initials, date, and time) on the reports to show that everything was double checked. This was done in the past but did not have anyone sign off on the report.

FINDING 2019-002

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

After the 2019 audit we now have someone else verify all the information on the quarterly reports that are submitted for the child support office. The deputy auditor creates a report in our financial system and enters the data from child support personnel into a spreadsheet. Both of these documents will be reviewed by the Auditor. Someone from child support will also verify that the information is correct.

From Emily Clarke, Clay County Prosecutor:

Our office is continuing to take steps to address the previous problem. Our ongoing corrective action has included having the IV-D Administrator prepare payroll and claims. The payroll and claims are then brought to myself to review and sign. Stamps are no longer being utilized. The PAR's are being prepared by individual employees and then reviewed by myself.

FINDING 2019-003

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

After the 2019 audit and finding non effective internal control findings the Prosecutor hired Dossett Consulting to assist the Child Support Office with all of their monthly, quarterly, and annual reports.

From Haley Bechtel, IV-D Administrator:

We have been having the Prosecutor sign all payroll vouchers and claim vouchers prepared by IV-D Administrator. We hired Dossett Consulting to do all of our Monthly Expense Claims and it is a work in progress to get the funds corrected from our 2019 errors. >From now on we will have the Prosecutor initial all PARS.

From Emily Clarke, Clay County Prosecutor:

Our office is continuing to take steps to address the previous problem. Our ongoing correction action has included changing the funds our IV-D attorney is paid out of. We have also hired Dossett Consulting to assist us in preparing claims and understanding what can be claimed. Dossett helps prepare the claims and then they are emailed to myself and our Iv-D administrator for review before the administrator submits them.

Thank you,

Jennifer M Flater,
Clay County Auditor



JENNIFER M FLATER
AUDITOR OF CLAY COUNTY
609 EAST NATIONAL AVE
ROOM 105
BRAZIL IN 47834
812-448-9097

CORRECTIVE ACTION PLAN

FINDING 2020-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Jennifer M Flater
Contact Phone Number: 812-448-9097

Views of Responsible Official:

Clay County has always had someone double check all the reports. We just did not have all of them initialed. So I understand SBOA side of things If in any month the Auditor and Treasurer Reports did not match we would go thru the reports line by line to find the error and correct it.

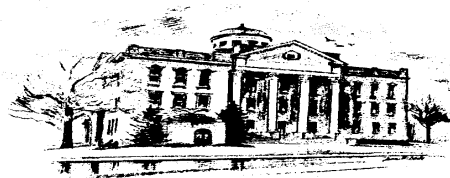
Description of Corrective Action Plan:

The Treasurer and Auditor Office personnel will now initial the documents each month. Each office will keep a copy of their office's report that has been initialed.

Anticipated Completion Date: Clay County implanted these changes on 1-5-2022.

Thank you,

Jennifer M Flater,
Clay County Auditor



Debra S James, Clay County Treasurer
609 E. National Ave. ~ Room 101
Brazil, Indiana 47834 ~ Phone: 812-448-9009

CORRECTIVE ACTION PLAN

FINDING 2020-002

Contact Person Responsible for Corrective Action: Debra S. James, Clay County Treasurer
Contact Phone Number: 812-448-9009

Views of Responsible Official:

I would like to begin by stating that during this audit there were no irregularities found in the financial transactions or reports being prepared by the Clay County Treasurer.

In an office with only three full-time employees, segregation of duties is not always possible. In this office each employee has a cash drawer that they balance each day (1). The report for each drawer along with the money collected is then verified by a different employee and a deposit ticket is prepared by that employee (2). The deposit is then taken to the bank by the Treasurer (3). In this instance, the daily collection reports are being reviewed and verified by three different employees, but this fact was not notated on the daily collection report.

Description of Corrective Action Plan:

In the future, each employee will initial each step they handle in the preparation and review of the daily collections.

The bank reconciliation and all reports being prepared by the Treasurer will now be reviewed and initialed by another employee before being submitted.

Anticipated Completion Date: 1/4/2022

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.