

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ALLEN COUNTY, INDIANA

January 1, 2013 to December 31, 2013



**FILED**  
10/24/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Tera K. Klutz	01-01-11 to 12-31-14
Treasurer	Susan L. Orth	01-01-13 to 12-31-16
Clerk	Lisbeth A. Borgmann	01-01-11 to 12-31-14
Sheriff	Kenneth C. Fries	01-01-11 to 12-31-14
Recorder	John D. McGauley	01-01-11 to 12-31-14
Health Commissioner	Dr. Deborah A. McMahan, MD	01-01-13 to 12-31-14
President of the Board of County Commissioners	Therese M. Brown	01-01-13 to 12-31-14
President of the County Council	Darren E. Vogt	01-01-13 to 12-31-14



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF ALLEN COUNTY, INDIANA

This report is supplemental to our audit report of Allen County (County), for the period from January 1, 2013 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statements and Federal Single Audit Report of the County, which provides our opinions on the County's financial statements and federal program compliance. This report may be found at [www.in.gov/sboa](http://www.in.gov/sboa).

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 Result and Comment contained herein describes 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 Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

September 11, 2014

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FORT WAYNE-ALLEN COUNTY DEPARTMENT OF HEALTH  
ALLEN COUNTY

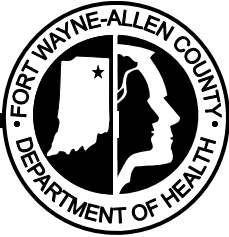
FORT WAYNE-ALLEN COUNTY DEPARTMENT OF HEALTH  
ALLEN COUNTY  
AUDIT RESULT AND COMMENT

***MALFEASANCE***

On April 11, 2014, the Fort Wayne-Allen County Department of Health discovered that an employee did not deposit \$2,133 from mailed cash payments for birth certificates. We reviewed the supporting documentation and concur with the charged amount. The employee admitted to the theft upon questioning and was terminated immediately. The County and the employee agreed, through a written agreement, that the employee would repay the theft back to the County in installments of \$300-\$400 per month until repaid. To date, the employee has paid back \$700 and is current on monthly installments due.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)





DATE: September 11, 2014

TO: Indiana State Board of Accounts

FROM: Deborah A. McMahan, MD – Health Commissioner  
*Deborah A. McMahan*  
Mindy Waldron, REHS, CFSP – Department Administrator  
*Mindy Waldron*

SUBJECT: Response to Supplemental Report

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Upon discovery of the theft occurrence on April 11, 2014, not only did the Department obtain a confession and details of the incident from the employee, but the Department terminated the employee immediately. The Department immediately contacted The Allen County Human Resources Department and the Allen County Auditor's Office to report the incident and seek counsel for reporting to the Indiana State Board of Accounts. A subsequent meeting occurred shortly following the incident between all applicable state and county agencies to report and debrief on the incident. Permission was given to contact the Allen County Sheriff's Department to pursue the matter from a law enforcement standpoint, which occurred, and ultimately led to an agreement with the individual to repay the monetary amount in full in lieu of prosecution.

The Department thoroughly investigated the issue overall to determine the extent of the theft and the method utilized by the employee, and immediately enacted measures to prevent its occurrence in the future. A report was derived and provided to the State Board of Accounts detailing the findings of the occurrence and measures set in place for prevention. All practices and policies in areas of the Department handling cash were internally audited and reviewed (along with a representative of the Allen County Auditor's Office) and any potential areas of improvement were implemented. The Department is currently in the process of implementing internal control measures to mitigate and minimize any further incidents of this kind.

FORT WAYNE-ALLEN COUNTY DEPARTMENT OF HEALTH  
ALLEN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2014, with Therese M. Brown, President of the Board of County Commissioners, and on September 11, 2014, with Dr. Deborah A. McMahan, MD, Health Commissioner, and Mindy Waldron, Department Administrator.