

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DEKALB COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
03/20/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	John Feters Jan Bauman	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Holly Albright	01-01-13 to 12-31-16
Clerk of the Circuit Court	Martha Grimm	01-01-13 to 12-31-16
County Sheriff	Donald Lauer	01-01-11 to 12-31-18
County Recorder	Katie Firestone	01-01-13 to 12-31-16
County Coroner	Jeffery Warner Michael Gerber	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Assessor	Sheila Stonebraker	01-01-11 to 12-31-18
President of the Board of County Commissioners	Donald Grogg	01-01-13 to 12-31-15
President of the County Council	Alan Middleton	01-01-13 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DEKALB COUNTY, INDIANA

This report is supplemental to our audit report of DeKalb 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 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/.

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

January 21, 2015

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COUNTY CORONER
DEKALB COUNTY

COUNTY CORONER
DEKALB COUNTY
AUDIT RESULT AND COMMENT

OFFICIAL BOND

The County Coroner did not obtain an individual Surety Bond.

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:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(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).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee.

County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

COUNTY CORONER
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 21, 2015, with Jeffery Warner, former County Coroner, and Alan Middleton, President of the County Council.

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CLERK OF THE CIRCUIT COURT
DEKALB COUNTY

CLERK OF THE CIRCUIT COURT
DEKALB COUNTY
AUDIT RESULT AND COMMENT

OFFICIAL BOND

The Clerk of the Circuit Court's Surety Bond was insufficient per the Indiana Code. The Clerk of the Circuit Court should have a bond of \$120,000 based on four million dollars of receipts.

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:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(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).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee.

County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

CLERK OF THE CIRCUIT COURT
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 21, 2015, with Martha Grimm, Clerk of the Circuit Court, and Alan Middleton, President of the County Council.

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COUNTY ASSESSOR
DEKALB COUNTY

COUNTY ASSESSOR
DEKALB COUNTY
AUDIT RESULT AND COMMENT

OFFICIAL BOND

The County Assessor's Surety Bond was insufficient per the Indiana Code. The County Assessor should have a bond of \$15,000.

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:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(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).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee.

County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

COUNTY ASSESSOR
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 21, 2015, with Sheila Stonebraker, County Assessor, and Alan Middleton, President of the County Council.

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COUNTY AUDITOR
DEKALB COUNTY

COUNTY AUDITOR
DEKALB COUNTY
FEDERAL FINDINGS

FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the County related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The Auditor has not identified risks to the preparation of a reliable financial statement and, as a result, has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
2. Monitoring of Controls: Effective internal control over financial reporting requires the County Commissioners or their designee to monitor and assess the quality of the County's system of internal control. The County Commissioners or their designee has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

The County is required to report all financial information in the Annual Financial Report. This information is used to compile the financial statement. The County's financial statement (Gateway Report) contained the following errors:

- The Local Road & Street fund had investments which were posted incorrectly causing the disbursements to be overstated by \$500,000 and the ending balance to be understated by \$500,000.
- The Highway fund had investments which were posted incorrectly causing the disbursements to be overstated by \$250,000 and the ending balance to be understated by \$250,000.
- The Clerk's Trust fund was not reported correctly. The transactions reported did not include all components of the Clerk's Trust funds required to be reported, thus the beginning balance was understated by \$67,030, the receipts were understated by \$181,457, the disbursements were understated by \$200,347 and the ending balance was understated by \$48,140.
- The County Home Resident's Trust fund was reported using the bank balance instead of the book balance causing the beginning balance to be overstated by \$729, the disbursements to be overstated by \$646 and the ending balance to be overstated by \$83.
- The Probation Restitution Fee fund was reported using the bank balance instead of the book balance causing the beginning balance to be overstated by \$194, the receipts to be understated by \$559, the disbursements to be overstated by \$463, and the ending balance to be understated by \$828.

The County's financial records (County Auditor's Combined Ledger) contained the following deficiencies:

COUNTY AUDITOR
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

- While verifying the Gateway Report to the County Auditor Combined Ledger, we found the County Auditor's Combined Ledger had five funds that were corrected by changing the beginning balance. Therefore, the County Auditor's Combined Ledger had five funds that did not agree to the prior year ending balance, nor did it have the correct receipts or disbursements shown for these funds.
- Also, the County Auditor's Combined Ledger reported 27 payroll related fund beginning balances and transactions incorrectly by including numerous years of data. These payroll funds are set up in the system as ongoing funds and are never closed out which causes incorrect balances and transactions to be shown. The Gateway Report, however, was verified and found to be correct.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-11-1-4 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 filed electronically, in a manner prescribed by in the manner prescribed under IC 5-14-3.8-7."

***FINDING 2013-002 - INTERNAL CONTROLS OVER THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

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). We noted that a County employee independently prepares the SEFA without oversight, review, or approval. As a result, the SEFA contained errors.

The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected. We believe this deficiency constitutes a material weakness.

During the audit of the SEFA, we noted the following errors:

1. Highway Planning and Construction, CFDA #20.205, was overstated by \$9,209.
2. Council on Aging, CFDA #20.509, was understated by \$2,500.

COUNTY AUDITOR
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

3. Child Support Enforcement, CFDA #93.563, was overstated by \$11,358.
4. Hazard Mitigation Grant, CFDA #97.039, was overstated by \$8,906.
5. Homeland Security, CFDA #97.042 was incorrectly shown as CFDA #20.703 and the grant total was understated by \$721.
6. State Homeland Security Program (SHSP), CFDA #97.073, were understated by \$61,993.

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section.310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards: The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. 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 award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual 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 shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.

COUNTY AUDITOR
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

FINDING 2013-003 - INTERNAL CONTROLS OVER PAYROLL PROCESSING

Deficiencies noted in the internal control system of the County related to financial transactions and reporting during the prior audit were still present during the current audit period. We believe the following deficiencies constitute material weaknesses.

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to the achievement of financial reporting objectives. The County has not separated incompatible activities related to payroll and related liabilities. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. In response to prior year's audit findings, the County Auditor's Office developed and put into place a Corrective Action Plan on September 23, 2013. The Plan stated that the payroll reports, generated by an employee in the County Auditor's Office, would be approved by the Payroll Clerk; however, reports observed during the current audit did not have approval signatures.

Monitoring of Controls: Effective internal control over financial reporting requires the Board of County Commissioners or their designee to monitor and assess the quality of the County's system of internal control. The Board of County Commissioners or their designee have not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

We noted several other deficiencies in the internal control system of the County related to financial transactions and reporting during the current audit. We believe the following deficiencies constitute material weaknesses:

There was no evidence to verify that someone from the County Auditor's Office, independent of the Payroll Clerk, verified that the payroll was paid and posted to the proper funds. The Payroll Vouchers, which report the gross payroll for each employee, did not report the Office, Department, or Funds from which the payments were made. The County generated a Gross Attendance Worksheet by department from their computer accounting software system and used it as their Payroll Schedule and Voucher, General Payroll Form 99. This report, however, did not show the funds from which the employees were paid. The County Commissioners signed an "Allowance of Payroll Claims" for each payroll. Attached to this Allowance was the "Pay History/Check Register Report" which reports the net payroll of each employee. There was no evidence to verify that approval of payroll withholdings was presented to the Board of County Commissioners. In addition, we observed that several payroll withholding accounts were over-drawn and that no one was monitoring this.

COUNTY AUDITOR
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

We were unable to determine if employees were paid according to the Salary Ordinance since one was not presented for audit. We observed in the County Council Board Minutes that a 2013 budget was passed in October of 2012; however, no separate Salary Ordinance was passed. The Salary Ordinance is not only a statutory requirement, but also represents a management control over payroll disbursements. The Payroll Clerk used prescribed form "Statement of Salaries and Wages Proposed, To Be Paid to Officers and Employees (County Form No. 144)" to determine approved salaries. This form was not signed by the Department Heads.

There was no evidence to show that the County Auditor's Office reconciled the Employee Service Records (General Payroll Form No. 99A) to the Employee Earnings Records and/or determined that employees were taking leave time in accordance with the County's Personnel Policy.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

A separate ordinance must be adopted by the county council at fixing the number of employees and the rates of salaries or wages to be paid officers and employees of the county.

COUNTY AUDITOR
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

Indiana Code 36-2-5-11(c) states:

"At its annual meeting under IC 36-2-3-7(b)(2), the county fiscal body shall consider the statements and recommendations submitted by the county executive under section 4(b) of this chapter and shall then adopt an ordinance, separate from those adopted under subsection (b), fixing:

- (1) the compensation of all officers, deputies and other employees subject to this chapter; and;
- (2) the number of deputies and other employees for each office, department, commission, or agency, except part-time and hourly rated employees, whose employment shall be limited only by the amount of funds appropriated to pay their compensation."

The adoption of the Ordinance of Appropriations by the council does not constitute an action fixing the rates of salaries and wages; a separate ordinance is required. (The County Bulletin and Uniform Compliance Guidelines, October of 2009)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

DeKalb County Auditor's Office

Jan Bauman, Auditor
100 South Main Street
Auburn, IN 46706
260-925-2362

January 21, 2015

CORRECTIVE ACTION PLAN

FINDING 2013-001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING (GATEWAY)

Contact Person Responsible for Corrective Action: Jan Bauman
Contact Phone Number: 260-925-2362

Description of Corrective Action Plan:

We will set up two funds in the 2800 series: one for Local Road and Street investments, and another for a Highway investment fund. Investment monies will be transferred in and out to reflect when an investment is made and cashed in.

We will work with the Clerk's Office to make sure the Clerk includes all pertinent information in their report. We will also make sure the book balance is used instead of their bank balance on the the Supplemental CAR report.

We will inform Probation, Sunny Meadows (and Sheriff) that along with their Supplemental CAR they balance to their book balance, not to the bank. We will also ask that they bring their bank statement and ledger report to us when it is time to add the Supplemental CAR data to the AFR so we can make sure they have not balanced to their bank statement.

We will discuss the issue of ending and beginning balances and that we need to be careful about entries in the financial system that can affect the ending, therefore the next year's beginning balance.

We are working with our software company to migrate from ongoing to calendar year. Several stale funds will also be closed as soon as the AFR is complete and submitted to Gateway.

Anticipated Completed Date: 4/30/15

**FINDING 2013-002 – INTERNAL CONTROLS OVER THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

Contact Person Responsible for Corrective Action: Jan Bauman
Contact Phone Number: 260-925-2362

Description of Corrective Action Plan:

We will most likely begin using the spreadsheet that SBOA Field Examiner Stacey Saberniak sent to us to better track the grants. Our goal in 2015 is to initiate county-wide grant procedures. We have examples from a couple of other counties to use as templates. Don France, Susan Sleeper, and I will be working on this together to assure proper reporting.

Anticipated Completed Date: 6/30/15

FINDING 2013-003 – INTERNAL CONTROLS OVER PAYROLL PROCESSING

Contact Person Responsible for Corrective Action: Jan Bauman
Contact Phone Number: 260-925-2362

Description of Corrective Action Plan:


The payroll department and process will undergo a complete re-evaluation in 2015. Segregation of duties is already being addressed. A second payroll processing clerk is learning how to assist processing bi-weekly payroll. Payroll training by the software company has already begun, and will continue as needed in 2015.


Payroll forms will be also be re-evaluated. We will investigate what better reports are available to provide the fund information SBOA requires.

In 2014, a separate salary ordinance was passed, and we will continue this practice in 2015 going forward.

In 2015 we will determine what needs to be done to reconcile Employee Service Records (General Payroll Form no. 99A) with employee earnings records. We are confident that leave time is being used in accordance with the County's Personnel Policy. We will re-evaluate how we can show this.

Anticipated Completed Date: 12/31/15


Jan Bauman, Auditor


Don Grogg, Commissioners President

COUNTY AUDITOR
DEKALB COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The financial statement presented in this report included the following funds with overdrawn cash balances at December 31, 2013:

Fund	Amount Overdrawn
Alternative Dispute Resolution	\$ 9,701
Self Insurance	549,354
HEA 1001-2008 STATE HSC	372
Comm Corrections State Grant	5,134
Health Insurance Accrued	20,502
Anthem BC/BC Life Insurance	3,422
PHP Dental Insurance	9,014
Dental Admin Fee	978
HRA Claims	27,993
Payroll Withholding - HSA Annuity	45

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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations for the year 2013:

Fund	Excess Amount Expended
DEBT SERVICE - Central Comm	\$ 250
LEPC Right to Know	4,311

The records presented for audit indicated the following funds were expended without appropriation for the year 2013 by the County Council:

Fund	Excess Amount Expended
Co Elected Officials Training	\$ 264
Flood Mitigation/Holiday Lakes	21,013
Central Commun Bldg Project	5,883
83.534 St Homeland Security Gr	88,432
20.601 Operation Pullover	11,895
66.818 Brownfield Assmt Grant	36,652
20.509 DART Program Grant	245,318

COUNTY AUDITOR
DEKALB COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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."

The unit's Location Budget report did not reflect the actual budget activity for all funds and all budgetary actions such as additional appropriations, budgetary transfers, etc. Also, only the signature and total page of the unit's Form 4A Budget was on file at the County Auditor's office. We then matched this total page to the budget reported on Gateway.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

DRAINAGE FUNDS - CONDITION OF RECORDS

Receipts and disbursements presented per the County Auditor's Ledger were not reasonable for the General Drain Improvement fund (1158) and Drainage Maintenance fund (2700). The ledger was not reflective of the activity of the actual receipts and disbursements. The General Drain Improvement receipts and disbursements were understated by at least \$121,000 and the Drainage Maintenance fund by at least \$700,000. This was due to significant number of posting errors made.

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 County Auditors of Indiana, Chapter 14)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

ANNUAL REPORT

The Annual Report for 2013 was not filed electronically until March 19, 2014.

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."

COUNTY AUDITOR
DEKALB COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

COUNTY PRESCRIBED CHART OF ACCOUNTS

The County implemented the new chart of accounts prescribed by the Indiana State Board of Accounts as required by January 1, 2012; however, many of the fund numbers used were incorrect.

- A Settlement fund numbered 6000 was not used, but rather numerous individually numbered settlement funds were used instead.
- TIF Capital Projects Funds numbered 4500's were not used, but rather funds numbered 4921, 6997 and 6999 were used.
- Debt Service funds numbered 4600's were not used for the Central Communications Center Debt funds, but rather funds 0180 and 0182 were used.
- Capital Projects fund numbered 4800's was not used, for the Central Communications Center Building Project, but rather fund 4020 was used.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

PAYROLL WITHHOLDING FUNDS NOT RECONCILED

Numerous County payroll withholding funds contained unidentified negative or positive balances as of December 31, 2013. The County Auditor made several adjustments on December 31, 2014, to clear up the issues that were related to various health insurance related withholding funds.

There are several withholding funds that still need to be reviewed and corrected by the County Auditor during 2015 since they contained unidentified negative or positive balances such as: Federal taxes, FICA, State taxes, Local taxes, PERF retirement, and Life Insurance. There may be additional withholding funds that may need corrected as well, but we were not able to identify them specifically due to not having all of the January 2015 subsequent payments to verify unremitted amounts.

The payroll withholding funds are set up in the ledger software on an "ongoing" basis, so numerous years of transactions were included in the some of the financial reports that we received and some financial reports had incorrect beginning balances. These payroll withholding funds need to be set up on a "calendar" basis in the Low software, like all of the other funds in the County. The County Auditor attempted to fix this on January 1, 2015, but was unable to without computer software support assistance.

We also noted that there were several large outstanding checks from the County Treasurer's reconciliation as of November 30, 2014, that were to payroll withholding vendors for life insurance that still need to be investigated by the County Auditor as follows:

- Check 110296, dated December 20, 2012, for \$3,777.46 to Boston Mutual Life Insurance Company.
- Check 111248, dated March 21, 2013, for \$5,334.18 to American Family Life Insurance.

COUNTY AUDITOR
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AUDIT RESULTS AND COMMENTS
(Continued)

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 County Auditors of Indiana, Chapter 14)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 21, 2015, with Jan Bauman, County Auditor; Donald Grogg, President of the Board of County Commissioners; and Alan Middleton, President of the County Council.

BOARD OF COUNTY COMMISSIONERS
DEKALB COUNTY

BOARD OF COUNTY COMMISSIONERS
DEKALB COUNTY
FEDERAL FINDINGS

FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the County related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

1. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The Auditor has not identified risks to the preparation of a reliable financial statement and, as a result, has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
2. **Monitoring of Controls:** Effective internal control over financial reporting requires the County Commissioners or their designee to monitor and assess the quality of the County's system of internal control. The County Commissioners or their designee has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

The County is required to report all financial information in the Annual Financial Report. This information is used to compile the financial statement. The County's financial statement (Gateway Report) contained the following errors:

- The Local Road & Street fund had investments which were posted incorrectly causing the disbursements to be overstated by \$500,000 and the ending balance to be understated by \$500,000.
- The Highway fund had investments which were posted incorrectly causing the disbursements to be overstated by \$250,000 and the ending balance to be understated by \$250,000.
- The Clerk's Trust fund was not reported correctly. The transactions reported did not include all components of the Clerk's Trust funds required to be reported, thus the beginning balance was understated by \$67,030, the receipts were understated by \$181,457, the disbursements were understated by \$200,347 and the ending balance was understated by \$48,140.
- The County Home Resident's Trust fund was reported using the bank balance instead of the book balance causing the beginning balance to be overstated by \$729, the disbursements to be overstated by \$646 and the ending balance to be overstated by \$83.
- The Probation Restitution Fee fund was reported using the bank balance instead of the book balance causing the beginning balance to be overstated by \$194, the receipts to be understated by \$559, the disbursements to be overstated by \$463, and the ending balance to be understated by \$828.

The County's financial records (County Auditor's Combined Ledger) contained the following deficiencies:

BOARD OF COUNTY COMMISSIONERS
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

- While verifying the Gateway Report to the County Auditor Combined Ledger, we found the County Auditor's Combined Ledger had five funds that were corrected by changing the beginning balance. Therefore, the County Auditor's Combined Ledger had five funds that did not agree to the prior year ending balance, nor did it have the correct receipts or disbursements shown for these funds.
- Also, the County Auditor's Combined Ledger reported 27 payroll related fund beginning balances and transactions incorrectly by including numerous years of data. These payroll funds are set up in the system as ongoing funds and are never closed out which causes incorrect balances and transactions to be shown. The Gateway Report, however, was verified and found to be correct.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-11-1-4 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 filed electronically, in a manner prescribed by in the manner prescribed under IC 5-14-3.8-7."

***FINDING 2013-002 - INTERNAL CONTROLS OVER THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

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). We noted that a County employee independently prepares the SEFA without oversight, review, or approval. As a result, the SEFA contained errors.

The County should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected. We believe this deficiency constitutes a material weakness.

During the audit of the SEFA, we noted the following errors:

1. Highway Planning and Construction, CFDA #20.205, was overstated by \$9,209.
2. Council on Aging, CFDA #20.509, was understated by \$2,500.

BOARD OF COUNTY COMMISSIONERS
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

3. Child Support Enforcement, CFDA #93.563, was overstated by \$11,358.
4. Hazard Mitigation Grant, CFDA #97.039, was overstated by \$8,906.
5. Homeland Security, CFDA #97.042 was incorrectly shown as CFDA #20.703 and the grant total was understated by \$721.
6. State Homeland Security Program (SHSP), CFDA #97.073, were understated by \$61,993.

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

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section.310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards: The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. 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 award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual 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 shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.

BOARD OF COUNTY COMMISSIONERS
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

FINDING 2013-003 - INTERNAL CONTROLS OVER PAYROLL PROCESSING

Deficiencies noted in the internal control system of the County related to financial transactions and reporting during the prior audit were still present during the current audit period. We believe the following deficiencies constitute material weaknesses.

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the County to reduce risks to the achievement of financial reporting objectives. The County has not separated incompatible activities related to payroll and related liabilities. The failure to establish these controls could enable material misstatements or irregularities to remain undetected. In response to prior year's audit findings, the County Auditor's Office developed and put into place a Corrective Action Plan on September 23, 2013. The Plan stated that the payroll reports, generated by an employee in the County Auditor's Office, would be approved by the Payroll Clerk; however, reports observed during the current audit did not have approval signatures.

Monitoring of Controls: Effective internal control over financial reporting requires the Board of County Commissioners or their designee to monitor and assess the quality of the County's system of internal control. The Board of County Commissioners or their designee have not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility place the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the County has no process to identify or communicate corrective actions to improve controls.

We noted several other deficiencies in the internal control system of the County related to financial transactions and reporting during the current audit. We believe the following deficiencies constitute material weaknesses:

There was no evidence to verify that someone from the County Auditor's Office, independent of the Payroll Clerk, verified that the payroll was paid and posted to the proper funds. The Payroll Vouchers, which report the gross payroll for each employee, did not report the Office, Department, or Funds from which the payments were made. The County generated a Gross Attendance Worksheet by department from their computer accounting software system and used it as their Payroll Schedule and Voucher, General Payroll Form 99. This report, however, did not show the funds from which the employees were paid. The County Commissioners signed an "Allowance of Payroll Claims" for each payroll. Attached to this Allowance was the "Pay History/Check Register Report" which reports the net payroll of each employee. There was no evidence to verify that approval of payroll withholdings was presented to the Board of County Commissioners. In addition, we observed that several payroll withholding accounts were overdrawn and that no one was monitoring this.

BOARD OF COUNTY COMMISSIONERS
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FEDERAL FINDINGS
(Continued)

We were unable to determine if employees were paid according to the Salary Ordinance since one was not presented for audit. We observed in the County Council Board Minutes that a 2013 budget was passed in October of 2012; however, no separate Salary Ordinance was passed. The Salary Ordinance is not only a statutory requirement, but also represents a management control over payroll disbursements. The Payroll Clerk used prescribed form "Statement of Salaries and Wages Proposed, To Be Paid to Officers and Employees (County Form No. 144)" to determine approved salaries. This form was not signed by the Department Heads.

There was no evidence to show that the County Auditor's Office reconciled the Employee Service Records (General Payroll Form No. 99A) to the Employee Earnings Records and/or determined that employees were taking leave time in accordance with the County's Personnel Policy.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

A separate ordinance must be adopted by the county council at fixing the number of employees and the rates of salaries or wages to be paid officers and employees of the county.

BOARD OF COUNTY COMMISSIONERS
DEKALB COUNTY
FEDERAL FINDINGS
(Continued)

Indiana Code 36-2-5-11(c) states:

"At its annual meeting under IC 36-2-3-7(b)(2), the county fiscal body shall consider the statements and recommendations submitted by the county executive under section 4(b) of this chapter and shall then adopt an ordinance, separate from those adopted under subsection (b), fixing:

- (1) the compensation of all officers, deputies and other employees subject to this chapter; and;
- (2) the number of deputies and other employees for each office, department, commission, or agency, except part-time and hourly rated employees, whose employment shall be limited only by the amount of funds appropriated to pay their compensation."

The adoption of the Ordinance of Appropriations by the council does not constitute an action fixing the rates of salaries and wages; a separate ordinance is required. (The County Bulletin and Uniform Compliance Guidelines, October of 2009)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

DeKalb County Auditor's Office

Jan Bauman, Auditor
100 South Main Street
Auburn, IN 46706
260-925-2362

January 21, 2015

CORRECTIVE ACTION PLAN

FINDING 2013-001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING (GATEWAY)

Contact Person Responsible for Corrective Action: Jan Bauman
Contact Phone Number: 260-925-2362

Description of Corrective Action Plan:

We will set up two funds in the 2800 series: one for Local Road and Street investments, and another for a Highway investment fund. Investment monies will be transferred in and out to reflect when an investment is made and cashed in.

We will work with the Clerk's Office to make sure the Clerk includes all pertinent information in their report. We will also make sure the book balance is used instead of their bank balance on the the Supplemental CAR report.

We will inform Probation, Sunny Meadows (and Sheriff) that along with their Supplemental CAR they balance to their book balance, not to the bank. We will also ask that they bring their bank statement and ledger report to us when it is time to add the Supplemental CAR data to the AFR so we can make sure they have not balanced to their bank statement.

We will discuss the issue of ending and beginning balances and that we need to be careful about entries in the financial system that can affect the ending, therefore the next year's beginning balance.

We are working with our software company to migrate from ongoing to calendar year. Several stale funds will also be closed as soon as the AFR is complete and submitted to Gateway.

Anticipated Completed Date: 4/30/15

**FINDING 2013-002 – INTERNAL CONTROLS OVER THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

Contact Person Responsible for Corrective Action: Jan Bauman
Contact Phone Number: 260-925-2362

Description of Corrective Action Plan:

We will most likely begin using the spreadsheet that SBOA Field Examiner Stacey Saberniak sent to us to better track the grants. Our goal in 2015 is to initiate county-wide grant procedures. We have examples from a couple of other counties to use as templates. Don France, Susan Sleeper, and I will be working on this together to assure proper reporting.

Anticipated Completed Date: 6/30/15

FINDING 2013-003 – INTERNAL CONTROLS OVER PAYROLL PROCESSING

Contact Person Responsible for Corrective Action: Jan Bauman
Contact Phone Number: 260-925-2362

Description of Corrective Action Plan:

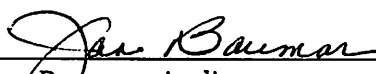
The payroll department and process will undergo a complete re-evaluation in 2015. Segregation of duties is already being addressed. A second payroll processing clerk is learning how to assist processing bi-weekly payroll. Payroll training by the software company has already begun, and will continue as needed in 2015.


Payroll forms will be also be re-evaluated. We will investigate what better reports are available to provide the fund information SBOA requires.

In 2014, a separate salary ordinance was passed, and we will continue this practice in 2015 going forward.

In 2015 we will determine what needs to be done to reconcile Employee Service Records (General Payroll Form no. 99A) with employee earnings records. We are confident that leave time is being used in accordance with the County's Personnel Policy. We will re-evaluate how we can show this.

Anticipated Completed Date: 12/31/15


Jan Bauman, Auditor


Don Grogg, Commissioners President

COUNTY COMMISSIONERS
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on January 21, 2015, with Donald Grogg, President of the Board of County Commissioners.