

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ST. JOSEPH COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
01/29/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Peter H. Mullen Michael J. Hamann	01-01-12 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Michael J. Kruk	01-01-13 to 12-31-16
Clerk of the Circuit Court	Terri J. Rethlake	01-01-11 to 12-31-18
County Sheriff	Michael D. Grzegorek	01-01-11 to 12-31-18
County Recorder	Phillip G. Dotson	01-01-13 to 12-31-16
President of the Board of County Commissioners	Andrew Kostielney	01-01-14 to 12-31-15
President of the County Council	Rafael Morton	01-01-14 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF ST. JOSEPH COUNTY, INDIANA

This report is supplemental to our audit report of St. Joseph County (County), for the period from January 1, 2014 to December 31, 2014. 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

November 4, 2015

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COUNTY AUDITOR
ST. JOSEPH COUNTY

COUNTY AUDITOR
ST. JOSEPH COUNTY
FEDERAL FINDING

FINDING 2014-001 - 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). Various County departments provided grant data to the County Auditor, but this information was not reviewed or verified prior to including it in the SEFA presented for audit.

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.

The federal expenditures reported on the SEFA presented for audit were understated by \$1,062,756. During the audit of the SEFA, we noted that the Child Support Enforcement program expenditures included only the County Prosecutor's portion. The expenditures did not include the Clerk of the Circuit Court, Probate Court, indirect costs, and incentive fund disbursements. The County's SEFA reported \$1,223,843 in expenditures for the County Prosecutor's Child Support program. The actual total Child Support Enforcement program expenditures, including all components, was \$2,244,523.

We also noted other immaterial errors as follows:

1. The disbursements for CFDA #93.268 were overreported by \$3,398.
2. The disbursements for CFDA #97.042 were underreported by \$45,549.
3. The disbursements for the Child Nutrition Cluster were overreported by \$75.

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

COUNTY AUDITOR
ST. JOSEPH COUNTY
FEDERAL FINDING
(Continued)

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 in part:

"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 total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

ST. JOSEPH COUNTY AUDITOR

227 W. Jefferson Blvd. Second Floor

County City Building

South Bend, IN 46601

Telephone 574-235-9668

Fax 574-235-5024

Michael J. Hamann
Auditor

Teresa M. Shuter
Chief Deputy Auditor

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Kelly Sanford

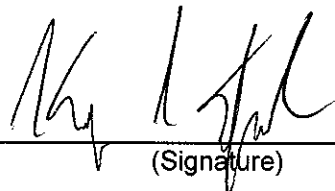
Contact Phone Number: 574-235-1818

Description of Corrective Action Plan:

2014 was my first year with the SEFA. I used the 2013 report as my template to provide 2014 information. Early on in the audit process, it was called to my attention by the State Board of Accounts that, because I had used the previous year's template, which only included the Prosecutor's office, I missed payments received by the Clerk of the Circuit Court, Indirect Costs, and incentive fund disbursements.

I have contacted the State Board of Accounts and requested a meeting to go over the Dcs reports received from the state in order to gain a better understanding of these reports and the numbers that are to be included for future SEFA reports.

Anticipated Completion Date: 12/15/15


(Signature)

Grants Coordinator
(Title)

October 28, 2015
(Date)

COUNTY AUDITOR
ST. JOSEPH COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The financial statement presented for the County included the following funds with overdrawn cash balances at December 31, 2014:

Fund	Amount Overdrawn
General Drain Impr	\$ 66,420
County Health	499,647
CEDIT/PSAP Construction Fund	559,900

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)

TIMELY RECORDKEEPING

Bond proceeds of \$8,801,354 were deposited into the County's bank account on December 30, 2014, but were not recorded until February 13, 2015. The December 31, 2014 bank reconciliation also included other electronic fund transfers (EFT) that were not recorded timely. Some of the more significant EFTs from the state were received in the early part of December 2014, but were not recorded at December 31, 2014.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

APPROPRIATIONS

The records presented for audit indicated that the expenditures of the COIT fund were in excess of budgeted appropriations by \$882,432.

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."

COUNTY AUDITOR
ST. JOSEPH COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS OVER OFFICIAL BONDS

Procedures established by the County assigned to the County Auditor, the responsibility for obtaining the officials' bonds for each elected official required to be bonded. For 2014, the County Auditor did not obtain individual Surety Bonds for any of the elected officials for the County. There were no controls in place for a review of the procedures to ensure that the officials' bonds had been obtained. Each elected or appointed officer or official is responsible to file an individual Surety Bond and should have determined that they were properly bonded for the year.

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: . . .

(3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks
..."

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. The county recorder and deputies and employees of the recorder shall file their bonds in the office of the clerk of the circuit court."

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

COUNTY AUDITOR
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2015, with Michael Hamman, County Auditor.

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COUNTY COUNCIL
ST. JOSEPH COUNTY

COUNTY COUNCIL
ST. JOSEPH COUNTY
AUDIT RESULT AND COMMENT

APPROPRIATIONS

The records presented for audit indicated that the expenditures of the COIT fund were in excess of budgeted appropriations by \$882,432.

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."

COUNTY COUNCIL
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2015, with Rafael Morton, President of the County Council.

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CLERK OF THE CIRCUIT COURT
ST. JOSEPH COUNTY

CLERK OF THE CIRCUIT COURT
ST. JOSEPH COUNTY
FEDERAL FINDING

FINDING 2014-002 - FINANCIAL TRANSACTIONS AND REPORTING

The Clerk of the Circuit Court did not have a proper system of internal control in place over financial transactions, reconciling, and reporting. The Clerk of the Circuit Court should have proper controls in place to ensure that the Cash Book balance is accurate at the end of each month, that the Cash Book balance reconciles with the detailed subaccount balances, that all open items held in the Trust Register and Cash Bond Register are properly identified and that the receipts, disbursements, and cash and investment balances reported on the County's financial statement are correct. Four of five monthly bank reconcilements tested lacked evidence of proper oversight, review, or approval. The lack of proper internal controls allowed the following to occur:

1. The December 31, 2014 record balance exceeded the available bank balance by \$25,614, which included many unidentified reconciling items, some dated as far back as 2005.
2. The trust balance did not reconcile with the Trust Register. The Clerk of the Circuit Court did not present a summary schedule of outstanding cash bonds and trust funds as of December 31, 2014. The Cash Book subaccount balances for the cash bonds and trust funds totaled \$5,859,251 at the Clerk of the Circuit Court's Main Office. The Clerk of the Circuit Court's Mishawaka Office and the Clerk of the Circuit Court's Small Claims Office also had trust balances of \$157,881 and \$74,931, respectively, which were not reconciled to a Trust Register.

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balances should agree. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 13)

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 Clerks of the Circuit Courts of Indiana, Chapter 13)

Terri J. Rethlake
St. Joseph County Clerk
EX-OFFICIO CLERK ST JOSEPH SUPERIOR & PROBATE COURTS
101 S. Main St
South Bend, IN 46601
Telephone: 574-235-9635 Fax: 574-235-9838

CORRECTIVE ACTION PLAN

FINDING 2014-002 – Financial Transactions and Reporting

Terri J. Rethlake, Clerk, St. Joseph Co Circuit Court
574-235-9635

Description of Corrective Action Plan:

1. Items have been identified and some already corrected. \$4732.66 is fraud that has been reported to Indiana State Police. Cases are being investigated and will be submitted to Prosecutor for possible charges. Bank accounts are balance monthly to the \$25,614 amount.
2. The one monthly statement has been corrected. The electronic form was modified for my signature. The monthly reconcilements sent to the Auditor are reviewed by the Clerk.
3. We are one step closer to resolving this issue. We have information to work with now. Low & Associates (old legacy system) hired a DOS programmer to investigate and find outstanding trust amounts for Small Claims, Traffic & Misdemeanor, and Felony and Upper Court Civil cases. The programmer is through all but the Upper Court Civil cases and has found outstanding partial payment trust and trust amounts that have not been disbursed. The information we have received from him will be validated on a case by case. We will then either escheat the money to the Attorney General manually or enter the case information and trust amount into Odyssey.

Anticipated Completion Date: Depends on staffing for this very lengthy project.


(Signature)

Clerk, St Joseph Co Circuit Court
(Title)

11/4/15
(Date)

CLERK OF THE CIRCUIT COURT
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 2, 2015, with Terri Rethlake, Clerk of the Circuit Court.

COUNTY ENGINEER
ST. JOSEPH COUNTY

COUNTY ENGINEER
ST. JOSEPH COUNTY
FEDERAL FINDING

FINDING 2014-003 - REPORTING

Federal Agency: Department of Transportation
Federal Program: Highway Planning and Construction
CFDA Number: 20.205
Federal Award Number and Year: All project listed for 2014 on SEFA
Pass-Through Entity: Indiana Department of Transportation

Management of the County has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Reporting compliance requirements of the Highway Planning and Construction program. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The County Engineer is responsible for preparing and submitting reimbursement request vouchers with the Indiana Department of Transportation for the Highway Planning and Construction program. These reports are not subjected to an oversight, review, or approval process prior to submission.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the County.

We recommended that the County's management establish controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirements.



St. Joseph County, Indiana
Department of Public Works

Divisions
Highways
Bridges
Surveyors
Drainage
Environmental

County Engineer, Jessica J. Clark, P.E.
County Surveyor, John R. McNamara, P.E., L.S.

November 4, 2015

BOARD OF COMMISSIONERS
ANDREW T. KOSTIELNEY, DISTRICT 1
DAVE THOMAS, DISTRICT 2
DEBORAH A. FLEMING, D.M.D., DISTRICT 3

CORRECTIVE ACTION PLAN

State Board of Accounts Audit Review – 2014

Finding 2014-003 - REPORTING

Federal Agency: U.S. Department of Transportation

Federal Program: High Planning and Construction

CFDA Number: 20.205

Federal Award Number & Year: All projects listed in 2014

Pass-Through Entity: Indiana Department of Transportation

The St. Joseph County Auditor's Office will take the following action in correcting the above named findings in the recent audit from the State Board of Accounts:

- Review established internal controls

Name of Contact responsible for correction: Jessica J. Clark – County Engineer
Contact Number 574-235-9626

The County Engineer, who is the supervisory official and is the Employee in Responsible Charge of this federal aid program, has been made aware of this reporting finding and will make the proper corrections within her Department so that this is not an ongoing issue. Public Works Fiscal Clerk shall prepare the voucher for ERC review and approval.

Respectfully,

Michael J. Hamann
St. Joseph County Auditor

COUNTY ENGINEER
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2015, with Jessica Clerk, County Engineer.

COUNTY PROSECUTOR
ST. JOSEPH COUNTY

COUNTY PROSECUTOR
ST. JOSEPH COUNTY
FEDERAL FINDINGS

FINDING 2014-004 - ALLOWABLE COSTS/COSTS PRINCIPLES - TIME AND EFFORT REPORTING

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year: 1504INCSES

Pass-Through Entity: Indiana Department of Child Services

Internal Control

Management of the County Prosecutor's Office has not established an effective internal control system over Allowable Costs, specifically Time and Effort Reporting of the Child Support Enforcement program. The failure to establish an effective internal control system places the County Prosecutor's Office at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system allowed material noncompliance with requirements and could allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

Compliance

Allowable cost principles require the County to maintain personnel activity reports or other documentation for employees working on both federal program and non-federal program activities. The County Prosecutor's part-time employees who worked on Child Support Enforcement program cases as part of their duties did not maintain records to document the time spent on allowable federal program activities. As a result, \$120,559.71 was reimbursed to the County in 2014 for 5,148.90 employee hours which were not properly documented. These costs are considered questioned costs.

OMB Circular A-87, Attachment B, Subsection 8.H. states in part:

"(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

COUNTY PROSECUTOR
ST. JOSEPH COUNTY
FEDERAL FINDINGS
(Continued)

- (a) More than one Federal award,
- (b) A Federal award and a non Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the County.

We recommended that the County's management establish controls to comply and comply with the compliance requirements listed above.

FINDING 2014-005 - CASH MANAGEMENT AND REPORTING

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year: 1504INCSES
Pass-Through Entity: Indiana Department of Child Services

Management of the County Prosecutor's Office has not established an effective internal control system over Cash Management and Reporting requirements for the Child Support Enforcement program. The failure to establish an effective internal system places the Prosecutor's Office at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The County has not established effective internal controls over the preparation and submission of the claims for reimbursement for their Child Support Enforcement program expenditures. Employees of the County Prosecutor's Office prepare the claims for reimbursement without an oversight, review, or approval process.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

COUNTY PROSECUTOR
ST. JOSEPH COUNTY
FEDERAL FINDINGS
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish adequate internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the County.

We recommended that the County Prosecutor's Office establish adequate internal controls, including segregation of duties, related to the Cash Management and Reporting requirements of the program.

Office of the Prosecuting Attorney

County-City Building
227 West Jefferson Blvd. 10th Floor
South Bend, IN 46601
(574) 235-9544 Fax (574) 235-9761



Kenneth P. Cotter
Prosecuting Attorney
60th Judicial Circuit
St. Joseph County, IN

Patrick J. Higgins, Jr.
Chief of Staff

State Board of Accounts
227 E. Jefferson Blvd.
South Bend, IN 46601

CORRECTIVE ACTION PLAN

FINDING 2014-004 - ALLOWABLE COSTS/COSTS PRINCIPLES – TIME AND EFFORT REPORTING

Contact Person Responsible for Corrective Action: Robert Risenhoover
Contact Phone Number: 574-245-6637

Description of Corrective Action Plan: Office will institute internal controls to insure IV-D time reporting is entered by employee and reviewed and certified by employee's immediate supervisor. New Time Report forms have been adopted for both 100% IV-D employees and Partial IV-D employees. New Protocol has been drafted to explain and adopt new procedures. This protocol will be made part of the new employee orientation for all employees who will be engaged in IV-D work.

Anticipated Completion Date: November 4, 2015

FINDING 2014-005 – CASH MANAGEMENT AND REPORTING – Applies to the Prosecutor's Office

Contact Person Responsible for Corrective Action: Robert Risenhoover
Contact Phone Number: 574-245-6637

Description of Corrective Action Plan: Office returned to prior practice of having one employee prepare reports for filing and a second employee to certify the completed report. This system had been used for many years when reports were submitted in a paper format. When the reports were able to be drafted in an online electronic format our office was advised that a second employee to certify the data was not needed. This was later changed to a 2 employee process and we have made this change since it will provide an important check in the process.

Anticipated Completion Date: November 4, 2015

A handwritten signature in black ink, appearing to read "Patrick J. Higgins, Jr.", written over a horizontal line.

Chief of Staff

11-4-15
(Date)

COUNTY PROSECUTOR
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 4, 2015, with Patrick J. Higgins Jr., County Prosecutor's Chief of Staff; Ethan McKinney, Child Support Director; and Robert Risenhoover, County Prosecutor's Office Director of Budget and Finance.

PORTAGE MANOR COUNTY HOME
ST. JOSEPH COUNTY

PORTAGE MANOR COUNTY HOME
ST. JOSEPH COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATION

Depository reconciliations of the Patient Trust Fund balances to the bank account balances were conducted; however, the 2014 monthly reconciliations did not balance. The Trust Fund record balances exceeded the available adjusted bank balances in various amounts between \$1,020.17 and \$2,458.23 during 2014. At December 31, 2014, the reconciled bank balance exceeded the Trust Fund balance by \$2,023.96.

A similar comment appeared in prior Report B44173.

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

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

PORTAGE MANOR COUNTY HOME
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2015, with Louann Becker, Portage Manor Administrator, and Karen Bailey, Accounts Payable/Receivable Clerk.