

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
DECATUR COUNTY, INDIANA
January 1, 2014 to December 31, 2014



FILED
05/20/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tami D. Wenning (Vacant) Christy Smiley (Interim) Janet S. Chadwell	01-01-12 to 07-01-14 07-02-14 to 07-06-14 07-07-14 to 08-07-14 08-08-14 to 12-31-16
County Treasurer	Mary Vail	01-01-13 to 12-31-16
Clerk of the Circuit Court	Janet S. Chadwell Adina A. Roberts	01-01-11 to 08-07-14 08-08-14 to 12-31-18
County Sheriff	Gregory D. Allen	01-01-11 to 12-31-18
County Recorder	Denise Zeigler	01-01-11 to 12-31-18
President of the Board of County Commissioners	Jerome Buening John Richards	01-01-14 to 12-31-14 01-01-15 to 12-31-16
President of the County Council	Ernest J. Gauck	01-01-14 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

This report is supplemental to our audit report of Decatur 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, incorporated within this report, was not verified for accuracy.

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

February 23, 2016

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COUNTY AUDITOR
DECATUR COUNTY

COUNTY AUDITOR
DECATUR COUNTY
FEDERAL FINDINGS

FINDING 2014-001 - PREPARATION OF 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). 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.

During the audit of the SEFA, we noted the following errors: the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii program (CFDA 14.228) was overstated by \$27,807; the Highway Planning and Construction program (CFDA 20.205) was understated by \$175,081; the Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements program (CFDA 93.074) was understated by \$15,000; the Drug-Free Communities Support Program Grants program (CFDA 93.276) was overstated by \$33,596; the Child Support Enforcement program (CFDA 93.563) was understated by \$142,402; and the Emergency Management Performance Grants program (CFDA 97.042) was understated by \$15,098. 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)

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.

COUNTY AUDITOR
DECATUR COUNTY
FEDERAL FINDINGS
(Continued)

- (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.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (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 2014-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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

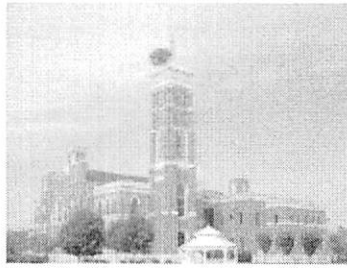
FINDING 2014-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

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

1. Preparation of the County's Annual Financial Report: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatements to the County's audited financial statement and then determining how those identified risks should be managed. The County has not identified risks to the preparation of a reliable financial statement, including notes to the financial statement, and as a result, has failed to design effective internal controls over the preparation of the financial statement to prevent, or detect and correct, material misstatements. One employee in the County Auditor's Office uploaded the County's financial activity from the County's software directly into the Gateway system, a financial reporting system established by the State of Indiana to allow governmental units to file Annual Financial Reports. There was no review or approval of the information by another individual prior to the submission. The Annual Financial Report was used to prepare the financial statement presented in this report. Control activities should be in place to reduce the risks of errors in financial reporting.
2. Payroll Disbursements: The County Auditor's Office has not separated incompatible activities related to payroll and payroll related liabilities. Payroll claims were not approved by the Board of County Commissioners. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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 Counties of Indiana,



Janet S. Chadwell
Decatur County Auditor

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CORRECTIVE ACTION PLAN

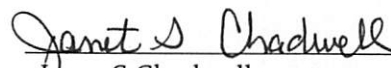
FINDING 2014-001- PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Contact Person Responsible for Corrective Action: Janet S Chadwell
Contact Phone Number: (812) 663-2570

Description of Corrective Action Plan:


Decatur County will utilize available personnel to oversee the schedule of expenditures in all grants to address the issues brought to our attention by the State Board of Accounts.

Anticipated Completion Date: We began working with departments receiving Federal Awards in February, 2015 and it's a 'work in progress'. Hoping to have completed by March, 2016.



Janet S Chadwell

Decatur County Auditor



Date



Janet S. Chadwell
Decatur County Auditor

150 Courthouse Square, Suite 133, Greensburg, Indiana 47240

Phone - 812-663-2570

Fax - 812-663-2242

auditor@decaturcounty.in.gov

CORRECTIVE ACTION PLAN

FINDING 2014-002- INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING


Contact Person Responsible for Corrective Action: Janet S Chadwell

Contact Phone Number: (812) 663-2570

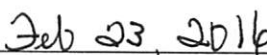
Description of Corrective Action Plan:

Decatur County will utilize available personnel to share the financial duties as a 'checks and balances' to address the issues brought to our attention by the State Board of Accounts.

Anticipated Completion Date: As soon as we were made aware of these deficiencies, controls were put in place, October, 2014.


Janet S Chadwell

Decatur County Auditor



Date

COUNTY AUDITOR
DECATUR COUNTY
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

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

Fund	Amount Overdrawn
Certified Shares (CAGIT)	\$ 3,514
Guardian Ad Lim Court	34
Payroll	188,077
CAGIT County Certified Shares	36
93.069 Public Health Prep	19,786
Family Court Counselor	75,147

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)

RECONCILIATION OF LEDGERS

As of December 31, 2014, the amount posted to the Treasurer's Daily Balance of Cash and Depositories and reported on the Treasurer's bank balances was \$5,348 more than reported on the County Auditor's Fund Ledger.

At the close of each calendar month a Monthly Financial Statement, County Form No. 61, shall be prepared, showing the financial transactions for the month and year to date, for each fund and in total.

The County Treasurer is also required to independently prepare a Monthly Financial Statement on the same form and the two statements must be reconciled. If any differences exist between the records of the auditor and the treasurer, they must be identified and immediate steps taken to bring the records of the two offices into agreement.

The statements are prescribed to be placed in a post-binder and shall be carefully preserved as a permanent record. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 6)

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)

COUNTY AUDITOR
DECATUR COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

COUNTY AUDITOR SETTLEMENT

On December 31, 2014, the balance of the CAGIT County Certified Shares distribution fund maintained in fund 7311 on the County Auditor's Funds Ledger was overdrawn \$36, and the balance of the Edit (Tax Distribution Fund) distribution fund maintained in fund 7312 on the County Auditor's Funds Ledger was \$13,544. Both of these funds are used to receipt these two types of income taxes and then distribute them out to the various taxing units in the County. The balance at December 31, 2014, of both funds should have been \$0.

Indiana Code 6-3.5-7-16.5 states:

"(a) The county auditor shall timely distribute the certified distribution received under section 12 of this chapter to each city and town that is a recipient of a certified distribution.

(b) A distribution is considered to be timely made if the distribution is made not later than ten (10) working days after the date the county treasurer receives the county's certified distribution under section 12 of this chapter."

Indiana Code 6-3.5-1.1-11.5 states:

"(a) The county auditor shall timely distribute the part of the certified distribution received under section 10 of this chapter that constitutes property tax replacement credits to each civil taxing unit and school corporation that is a recipient of property tax replacement credits as provided by sections 12, 13, and 14 of this chapter.

(b) The county auditor shall timely distribute the part of a certified distribution received under section 10 of this chapter that constitutes certified shares to each civil taxing unit that is a recipient of certified shares as provided by section 15 of this chapter.

(c) A distribution is considered to be timely made if the distribution is made not later than ten (10) working days after the date the county treasurer receives the county's certified distribution under section 10 of this chapter."

Uniform Chart of Accounts instructions required by County Bulletin 376 page 3, as amended by County Bulletin 381 page 11, Q&A 5 states in part:

"Remittance Funds - State Auditor Remittances are funds used to hold collections and refunds that are to be deposited with the State Auditor. IDOR Remittances are funds used to collect, hold and remit monies to the Indiana Department of Revenue (IDOR). Local Government Remittances are funds used to account for collections that will be remitted to other local governments within the county."

COUNTY AUDITOR
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Janet S. Chadwell, County Auditor; John Richards, President of the Board of County Commissioners; and Christy Smiley, Former County Auditor (Interim).

COUNTY TREASURER
DECATUR COUNTY

COUNTY TREASURER
DECATUR COUNTY
AUDIT RESULTS AND COMMENTS

COUNTY TREASURER EXCISE TAX

Postings to the County Treasurer's Cash Book for excise tax were based on actual amounts deposited to the County's bank account by the Indiana Bureau of Motor Vehicles (BMV) rather than deposit reports provided to the County from the BMV.

At the time of each semiannual tax settlement the treasurer shall report such tax collections, together with the aircraft license excise tax and auto rental excise tax collections discussed in this section, on County Form 49TC, County Treasurer's Certificate of Tax Collections, and the total shown by the county auditor's records shall be verified with the treasurer's certificate before distribution is made. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 6)

Indiana Code 5-13-5-1(a) states: "Every public officer who receives or distributes public funds shall: (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and (2) balance the cashbook daily to show funds on hand at the close of each day."

COUNTY TREASURER EXCISE SURTAX AND WHEEL TAX

Surtax and wheel tax were posted to the County Treasurer's Cash Book on the Vehicle License Excise Tax line item during the year 2014.

Indiana Code 6-3.5-4-13 states in part:

"(a) In the case of a county that does not contain a consolidated city of the first class, the county treasurer shall deposit the surtax revenues in a fund to be known as the '_____ County Surtax Fund'.

(b) Before the twentieth day of each month, the county auditor shall allocate the money deposited in the county surtax fund during that month among the county and the cities and the towns in the county. The county auditor shall allocate the money to counties, cities, and towns under IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3).

(c) Before the twenty-fifth day of each month, the county treasurer shall distribute to the county and the cities and towns in the county the money deposited in the county surtax fund during that month. The county treasurer shall base the distribution on allocations made by the county auditor for that month under subsection (b)."

Indiana Code 6-3.5-5-15 states in part:

"(a) In the case of a county that does not contain a consolidated city, the county treasurer shall deposit the wheel tax revenues in a fund to be known as the 'County Wheel Tax Fund'.

(b) Before the twentieth day of each month, the county auditor shall allocate the money deposited in the county wheel tax fund during that month among the county and the cities and the towns in the county. The county auditor shall allocate the money to counties, cities, and towns under IC 8-14-2-4(c)(1) through IC 8-14-2-4(c)(3).

(c) Before the twenty-fifth day of each month, the county treasurer shall distribute to the county and the cities and towns in the county the money deposited in the county wheel tax fund during that month. The county treasurer shall base the distribution on allocations made by the county auditor for that month under subsection (b)."

COUNTY TREASURER
DECATUR COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

RECONCILIATION OF LEDGERS

As of December 31, 2014, the amount posted to the Treasurer's Daily Balance of Cash and Depositories and reported on the Treasurer's bank balances was \$5,348 more than reported on the County Auditor's Fund Ledger.

At the close of each calendar month a Monthly Financial Statement, County Form No. 61, shall be prepared, showing the financial transactions for the month and year to date, for each fund and in total.

The county treasurer is also required to independently prepare a Monthly Financial Statement on the same form and the two statements must be reconciled. If any differences exist between the records of the auditor and the treasurer, they must be identified and immediate steps taken to bring the records of the two offices into agreement.

The statements are prescribed to be placed in a post-binder and shall be carefully preserved as a permanent record. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 6)

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 Treasurers of Indiana, Chapter 10)

COUNTY TREASURER
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Mary Vail, County Treasurer, and John Richards, President of the Board of County Commissioners.

COUNTY SHERIFF
DECATUR COUNTY

COUNTY SHERIFF
DECATUR COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the Inmate Trust fund balances to the bank account balances were conducted; however, the reconciliation contained errors. The outstanding checklist was overstated in the amount of \$60 and deposits in transit were overstated in the amount of \$195. As of December 31, 2014, the bank reconciliation identified a cash short in the amount of \$135.

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."

COUNTY SHERIFF
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Gregory D. Allen, County Sheriff, and John Richards, President of the Board of County Commissioners.

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BOARD OF COUNTY COMMISSIONERS
DECATUR COUNTY

BOARD OF COUNTY COMMISSIONERS
DECATUR COUNTY
AUDIT RESULT AND COMMENT

CREDIT CARDS

The County was using credit cards to purchase items without an approved credit card policy.

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

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

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

BOARD OF COUNTY COMMISSIONERS
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with John Richards, President of the Board of County Commissioners.

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COUNTY PROBATION
DECATUR COUNTY

COUNTY PROBATION
DECATUR COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances for the audit period were not presented for audit.

A similar comment appeared in prior Report B45162.

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."

COUNTY PROBATION
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Benjamin Buening, Probation Officer, and John Richards, President of the Board of County Commissioners.

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COUNTY PROSECUTING ATTORNEY
DECATUR COUNTY

COUNTY PROSECUTING ATTORNEY
DECATUR COUNTY
FEDERAL FINDING

FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement, ARRA - Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): 2014
Pass-Through Entity: Indiana Department of Child Services

Management of the County has not established an effective internal control system over compliance requirements relating to Allowable Costs/Cost Principles. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements.

The County was required to maintain time and effort reports on all full-time and part-time employees paid from the grant. There were no time and effort reports maintained by the County Prosecuting Attorney's Office for full-time or part-time employees paid from the grant during the audit period.

OMB Circular A-87, Attachment B, item 8h(3), states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

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."

Noncompliance with the grant agreement or the Allowable Costs/Cost Principles compliance requirements could result in the loss of federal funds to the County.

We recommended that the County's management establish controls to ensure compliance with Allowable Costs/Cost Principles compliance requirements.

Prosecuting Attorney
Nathan W. Harter IV, Atty. No. 31337-16
Deputy Prosecutors
Doug Brown, Chief Deputy, Atty. No. 15709-73
Brian Clark, Atty. No. 23532-49
Wendy Burford, Atty. No. 31915-16

Chief of Staff
Sara Volk



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February 2, 2016

CORRECTIVE ACTION PLAN

FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES

Contact Person Responsible for Corrective Action: Nathan W. Harter, IV
Contact Phone Number: (812) 663-8505

Description of Corrective Action Plan:

The Decatur County Child Support Division Office Administrator shall prepare a Semi-Annual IV-D Time and Effort Certification ("Certification") that details the name and employment status for each employee within the Decatur County Child Support Division. A copy of Finding 2014-003 and copies of the Certifications for calendar year 2015 are attached to this Corrective Action Plan and incorporated by reference.

Anticipated Completion Date:

The Decatur County Child Support Division Office Administrator implemented the aforementioned Corrective Action Plan effective January 1, 2015. The Certification shall be ongoing and shall occur semi-annually.

A handwritten signature in black ink, reading "Nathan W. Harter IV", is written over a horizontal line.

Nathan W. Harter IV,
Prosecuting Attorney
69th Judicial Circuit

2-2-16

DATE

NWH (wlb)
Enclosure (3)

FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Health and Human Services

Federal Program: Child Support Enforcement, ARRA - Child Support Enforcement

CFDA Number: 93.563

Federal Award Number and Year (or Other Identifying Number): 2014

Pass-Through Entity: Indiana Department of Child Services

Management of the County has not established an effective internal control system over compliance requirements relating to Allowable Costs/Cost Principles. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements.

The County was required to maintain periodic certifications for all full-time and part-time employees paid from the grant. There were no periodic certifications maintained by the County Prosecuting Attorney's Office for full-time or part-time employees paid from the grant during the audit period.

OMB Circular A-87, Attachment B, item 8h(3), states:

"Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

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."

Noncompliance with the grant agreement or the Allowable Costs/Cost Principles compliance requirements could result in the loss of federal funds to the County.

We recommended that the County's management establish controls to ensure compliance with Allowable Costs/Cost Principles compliance requirements.



Protecting our children,
promoting good future

County Prosecutor's/IV-D Court's
Semi-Annual IV-D Time and Effort Certification
Multiple Staff

COUNTY: DECATUR COUNTY OFFICE: PROSECUTOR

I, Nathan W. Harter IV, certify that 100% of the below listed employees' time from
(Supervisory Official)

July 2015 to December 2015 was spent on
(Beginning Date ex. Month/Date/Year) (Ending Date ex. Month/Date/Year)

Title IV-D duties and responsibilities.
(Federal Funding Source)

Wendy Busford - IV-D Prosecutor
Employee Name, Job Title

Employee Name, Job Title

Shelley Kidd Admin.
Employee Name, Job Title

Employee Name, Job Title

Lisa Reese Admin. Assistant
Employee Name, Job Title

Employee Name, Job Title

Delores Young
Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Employee Name, Job Title

Nathan W. Harter IV
Supervisor Signature

January 4, 2016
Date

Elected Prosecutor
Supervisor Title



Partnership with Child Welfare
to ensure every child is safe

County Prosecutor's/IV-D Court's
Semi-Annual IV-D Time and Effort Certification
Multiple Staff

COUNTY: DECATUR COUNTY OFFICE: PROSECUTOR

I, Nathan W. Harter IV, certify that 100% of the below listed employees' time from
(Supervisory Official)

January 2015 to June 2015 was spent on
(Beginning Date ex. Month/Date/Year) (Ending Date ex. Month/Date/Year)

Title IV-D (Federal Funding Source)		duties and responsibilities.
<u>Shelley Kroll, Administrator</u>	Employee Name, Job Title	
<u>Lisa Osche, Admin. Assist</u>	Employee Name, Job Title	
<u>Debra Young</u>	Employee Name, Job Title	
<u>Wendy Buford, Deputy Prosecutor</u>	Employee Name, Job Title	
	Employee Name, Job Title	
	Employee Name, Job Title	
	Employee Name, Job Title	
	Employee Name, Job Title	
	Employee Name, Job Title	
	Employee Name, Job Title	
	Employee Name, Job Title	

Nathan W. Harter IV
Supervisor Signature
Elected Prosecutor
Supervisor Title

June 30, 2015
Date

COUNTY PROSECUTING ATTORNEY
DECATUR COUNTY
AUDIT RESULT AND COMMENT

DEPOSITS

Receipts were deposited later than the next business day in 86 percent of receipts tested. As many as 14 days elapsed between the date of receipt and date of deposit.

A similar comment appeared in prior Report B45162.

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

COUNTY PROSECUTING ATTORNEY
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Nathan W. Harter, IV, County Prosecuting Attorney, and John Richards, President of the Board of County Commissioners.

CLERK OF THE CIRCUIT COURT
DECATUR COUNTY

CLERK OF THE CIRCUIT COURT
DECATUR COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation did not balance. As of December 31, 2014, the bank reconciliation identified a cash long in the amount of \$150.

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."

CLERK OF THE CIRCUIT COURT
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2016, with Adina A. Roberts, Clerk of the Circuit Court; John Richards, President of the Board of County Commissioners; and Nancy Mirick, Deputy Clerk.