

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CLINTON COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

08/14/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Britt A. Ostler	01-01-22 to 12-31-23
County Treasurer	Gina Brettnacher	01-01-22 to 12-31-23
Clerk of the Circuit Court	Rhea A. Harris Stephanie Harshbarger	01-01-22 to 12-31-22 01-01-23 to 12-31-23
County Sheriff	Rich Kelly	01-01-22 to 12-31-23
County Recorder	Elizabeth J. Keeney	01-01-22 to 12-31-23
President of the Board of County Commissioners	Jordan Brewer	01-01-22 to 12-31-23
President of the County Council	Alan Dunn	01-01-22 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF CLINTON COUNTY, INDIANA

This report is supplemental to the audit report of Clinton County (County), for the period from January 1, 2022 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with the Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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

A handwritten signature in blue ink that reads "Beth Kelley".

Beth Kelley, CPA, CFE
Deputy State Examiner

August 2, 2023

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COUNTY AUDITOR
CLINTON COUNTY

COUNTY AUDITOR
CLINTON COUNTY
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The County had not established effective internal controls over the information entered in the Gateway financial reporting system. Although one employee prepared and entered the information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

The information entered into Gateway contained the following errors:

Grant Information

1. The COVID-19 - Coronavirus Relief Fund expenditures were overstated by \$103,332.
2. The COVID-19 - Coronavirus State and Local Fiscal Recovery Funds expenditures were understated by \$423,246.
3. The Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) expenditures were understated by \$76,372.
4. Several additional grants had errors totaling \$94,348.
5. Additionally, some program names, Assistance Listings Numbers, and identifying numbers were incorrect.

Adjustments were proposed, accepted by the County, and made to the Schedule of Expenditures of Federal Awards that is presented in the Federal Compliance Audit Report for the County.

Leases and Debt

1. Two leases were reported as bonds in the debt section which should have been reported in the lease section.
2. The Ending Principal Balance and Principal Due in One Year for the CR 375 Project Bond were overstated by \$410,000 and \$185,000, respectively.
3. The Ending Principal Balance for the Water and Sewer Bonds (2021) was understated by \$395,000.

COUNTY AUDITOR
CLINTON COUNTY
AUDIT RESULT AND COMMENT
(Continued)

Adjustments were proposed, accepted by the County, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report for the County.

Investment Fund Schedule

The County did not include all investments in the Investment Fund Schedule as of December 31, 2022.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

COUNTY AUDITOR
CLINTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 2, 2023, with Britt A. Ostler, County Auditor; Jordan Brewer, President of the Board of County Commissioners; Bert Weaver, County Commissioner; Alan Dunn, President of the County Council; Carol Price, County Council member; Clark Beard, County Council member; and Mike Hensley, County Council member.