

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

JEFFERSON COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

09/11/2023

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-23
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	26-33
Corrective Action Plan	34-37
Other Reports.....	38

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Heather Huff	01-01-22 to 12-31-23
County Treasurer	Melinda L. Klopp Meghan Hoskins	01-01-22 to 10-29-22 10-30-22 to 12-31-23
Clerk of the Circuit Court	Tabatha Eblen	01-01-22 to 12-31-23
County Sheriff	David W. Thomas Benjamin Flint	01-01-22 to 12-31-22 01-01-23 to 12-31-23
County Recorder	Molly O'Conner	01-01-22 to 12-31-23
President of the Board of County Commissioners	Ron Lee Robert Little	01-01-22 to 12-31-22 01-01-23 to 12-31-23
President of the County Council	Ray Denning Ray Black, Jr.	01-01-22 to 12-31-22 01-01-23 to 12-31-23



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF JEFFERSON COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Jefferson County (County), for the year ended December 31, 2022, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated August 21, 2023, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002.

Jefferson County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE
Deputy State Examiner

August 21, 2023



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF JEFFERSON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Jefferson County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2022.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Matter Giving Rise to Qualified Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in item 2022-003 for Procurement and Suspension and Debarment. Compliance with such requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003 and 2022-004, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the County, as of and for the year ended December 31, 2022, and the related notes to the financial statement. We issued our report thereon dated August 21, 2023, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

August 21, 2023

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

JEFFERSON COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>					
COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii OCRA COVID-19 GRANT	Indiana Office of Community and Rural Affairs	14.228	CV-CV1-233	\$ -	\$ 199,587
Total - Department of Housing and Urban Development				-	199,587
<u>Department of Justice</u>					
COVID-19 - Coronavirus Emergency Supplemental Funding Program Coronavirus Emergency Supplement Funding Program	Indiana Criminal Justice Institute	16.034	2020-VD-BX-0244	-	8,429
Crime Victim Assistance 2020 VOCA	Indiana Criminal Justice Institute	16.575	VOCA-2020-00175	-	49,382
Edward Byrne Memorial Justice Assistance Grant Program 2021 JAG Grant 2022 JAG Grant	Indiana Criminal Justice Institute	16.738	JAG-2021-00081 JAG-2022-00059	- -	20,602 65,278
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	85,880
Total - Department of Justice				-	143,691
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspection	Indiana Department of Transportation	20.205	DES# 1500208	-	2,474
Total - Highway Planning and Construction Cluster				-	2,474
Highway Safety Cluster State and Community Highway Safety Criminal Justice Institute	Indiana Criminal Justice Institute	20.600	CHIRP-2022-00032	-	4,836
National Priority Safety Programs SAVE Project	Indiana Criminal Justice Institute	20.616	FY22 SAVE-2022-00020	-	4,789
Total - Highway Safety Cluster				-	9,625
Total - Department of Transportation				-	12,099
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds ARPA	Direct Grant	21.027	2022	-	4,808,694
Total - Department of the Treasury				-	4,808,694
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness Public Health Emergency Preparedness	Indiana State Department of Health	93.069	6NU90TP922052	-	25,000

JEFFERSON COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
COVID-19 - Immunization Cooperative Agreements Immunization and Vaccine for Children	Indiana State Department of Health	93.268	NH23IP922631	-	48,551
Immunization Cooperative Agreements Immunization and Vaccine for Children	Indiana State Department of Health	93.268	NH23IP922631	-	8,891
Total - Immunization Cooperative Agreements				-	57,442
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) FY22 Covid Testing site Grant	Indiana State Department of Health	93.323	NU50CK000503	-	110,000
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response ANNUAL REPORT GRANT	Indiana State Department of Health	93.354	NU90TP922179	-	160,000
Child Support Enforcement	Indiana Department of Child Services	93.563			
Prosecutor Incentive			2022	-	34,124
County Incentive			2022	-	20,197
Child Support Prosecutor			2022	-	113,592
Child Support Clerk			2022	-	33,676
Child Support Court			2022	-	6,937
Child Support Indirect Costs			2022	-	19,032
Total - Child Support Enforcement				-	227,558
Opioid STR Opioid Response	Indiana Supreme Court	93.788	22-5JC89-C39-4-1	-	38,825
Total - Department of Health and Human Services				-	618,825
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	DR4363IN	-	750,500
Emergency Management Performance Grants EMA Salary Reimbursement	Indiana Department of Homeland Security	97.042	21 EMPG	-	30,000
BRIC: Building Resilient Infrastructure and Communities	Indiana Department of Homeland Security	97.047	EMC-2020-PC-0002	-	9,729
Total - Department of Homeland Security				-	790,229
Total federal awards expended				\$ -	\$ 6,573,125

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

JEFFERSON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2022. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
21.027	COVID-19 - State and Local Fiscal Recovery Funds	Qualified
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2022-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-001.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

The County had not established internal controls over the federal award information entered in the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's Schedule of Expenditures of Federal Awards (SEFA). No evidence was presented for audit that indicated someone other than the person that prepared and entered the federal grant information into Gateway reviewed the information for completeness and accuracy.

Due to the lack of internal controls, the SEFA presented for audit included the following errors:

1. The Child Support Enforcement program expenditures were omitted, which understated expenditures by \$227,558.
2. The Disaster Grants - Public Assistance (Presidentially Declared Disaster) program was omitted, which understated expenditures by \$750,500.
3. A state grant was incorrectly reported, which overstated expenditures by \$220,000.
4. Several additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$583,435, in total.
5. Other errors included incorrect or omitted Assistance Listings Numbers, program names, and identifying numbers.

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

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. . . ."

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control . . ."

2 CFR 200.1 states in part:

". . . *Internal controls* for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
 - (i) Effectiveness and efficiency of operations;
 - (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must be included.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

Cause

Management of the County had not established a system of internal controls that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2022-002

Subject: Financial Transactions and Reporting - County Treasurer
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-002.

Condition and Context

The County Treasurer (Treasurer) did not have a proper system of internal controls in place over financial transactions and reporting to prevent, or detect and correct, errors in cash and investments. The Treasurer had not established internal controls to ensure monthly bank reconciliations were complete and accurate, and to ensure financial activity was accurately recorded in the County Treasurer's Daily Balance of Cash and Depositories, Form 47 (Treasurer's Cash Book) and reported.

Additionally, the Treasurer had not established internal controls to ensure accurate reporting of the Supplemental Annual Financial Report (CAR-1 report). No evidence was presented for audit to indicate that someone other than the person who prepared the CAR-1 report reviewed the information for completeness and accuracy.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Due to the lack of effective internal controls, the following deficiencies were identified:

1. Monthly bank reconciliations were not performed for the self-insurance and revolving loan depository accounts. Bank reconciliations were performed for the other depository accounts; however, the reconciliations contained numerous errors, and the incorrect balance was used to reconcile. On December 31, 2022, a cash short difference of \$231,916 existed between the depository account balance and the record balance.
2. Several errors were identified with the activity recorded in the Treasurer's Cash Book. The amount reported for after-settlement collections contained a negative unidentified variance of \$8,645. The monies on hand at the various bank depository accounts did not agree with the total monies on hand for after-settlement collection and the fund ledger balance. An entry was included in the bank depository account of negative \$7,600 in order to force the depository account balance totals to agree with the total fund ledger and after-settlement collections total.
3. The Monthly Financial Statement, Form No. 61, is a permanent record prepared from the County Treasurer's funds ledger at the close of each month. It was reconciled on a monthly basis with a similar statement kept by the County Auditor. This reconciliation process ended without a reconciling difference during the year; however, the County Treasurer's funds ledger (subsidiary record) and the Treasurer's Cash Book (control record) were not in agreement. On December 31, 2022, the subsidiary record balance was \$289,527 less than the control record balance.
4. The County Treasurer's Monthly Financial Report (Form 47TR) was to be prepared monthly in quadruplicate with one copy retained by the Treasurer and three copies filed with the County Auditor for transmission to the Board of Finance, Board of County Commissioners, and Indiana State Board of Accounts, respectively. The reported deposits in transit and outstanding warrants and interest reported could not be traced to supporting documentation. The balance of all ledger accounts reported was not in agreement with amounts reported on the Treasurer's Cash Book.

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. . . ."

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of the 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 must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

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 the day."

The Monthly Financial Statement, Form 61, is a permanent record prepared from the treasurer's funds ledger at the close of each month. It is prepared after all postings to the ledger have been completed for the month and reflects the total receipts and disbursements and the balance for each fund for the month and for the year to date. The statement must agree with a similar statement kept by the county auditor, giving consideration to any adjustments required to reconcile the ledgers of the two offices. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

The Treasurer's Daily Balance of Cash and Depositories, Form 47, is the record prescribed to enable the treasurer to comply with IC 5-13-5-1. It reflects the daily receipts and disbursements, total amount of cash and investments on hand, and a proof of the financial condition of the office at the close of the day.

The record is designed to be posted "daily", with a separate page for each day. The left side of the page shows the total amount of money for which the treasurer is accountable (charges) and the right side of the page shows the money on deposit invested or on hand (credits), as proof of the financial condition. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

On or before the 16th day of each month the treasurer shall prepare a report showing the financial condition of the office as of the close of business on the last day of the preceding month.

This report shall show the amounts with which the treasurer is chargeable for the various funds and accounts, the amounts with which the treasurer is credited for money on deposit, invested and cash on hand and any long or short at the close of each month. The report also provides space for reconciliation with depositories.

The report shall be prepared in quadruplicate and each copy shall be verified by certificate of the treasurer. The treasurer shall retain one copy as a public record in the office and three copies shall be filed with the county auditor. The county auditor shall file the original of said reports with the records of the county board of finance, one copy shall be presented to the board of county commissioners at its next regular meeting, and the county auditor shall immediately transmit one copy to the State Board of Accounts.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

This report has been prescribed by the state board of accounts and designated as Form 47TR. This form is self-explanatory and all of the information required can be obtained from the daily balance of cash and depositories, except for the bank balances shown on the bank statements and the amounts of the outstanding warrants which are obtained from the bank reconcilements.

(Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

The supplemental annual report forms are submitted by other county offices and departments to be used by the county auditor to provide complete financial information for the annual report by reporting financial activity that is maintained outside of the county auditor's system. The supplemental annual reports are only to be submitted with financial activity that is not eventually accounted for in the county's general ledger system. (The County Bulletin and Uniform Compliance Guidelines, January 2014)

Cause

Management of the County had not established a proper system of internal controls that would have ensured proper recording of financial transactions and reporting.

Effect

Without a proper system of internal controls in place misstatements or irregularities remained undetected as noted in the *Condition and Context*.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-003

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Procurement and Suspension and Debarment
Federal Agency: Department of the Treasury
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Assistance Listings Number: 21.027
Federal Award Number and Year (or Other Identifying Number): 2022
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The County elected to receive the standard revenue loss allowance, allowing the County to claim its total State and Local Fiscal Recovery Funds (SLFRF) allocation of \$6,275,450 as revenue loss to use for government services. As such, all SLFRF program funds were expended under the revenue loss eligible use category. The U.S. Department of the Treasury (Treasury) determined that there are no subawards under this eligible use category, and that recipients' use of revenue loss funds would not give rise to subrecipient relationships given that there is no federal program or purpose to carry out in the case of the revenue loss portion of the award.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Prior to entering into subawards and covered transactions with SLFRF award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods and services awarded under a non-procurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification from that person, or adding a clause or condition to the covered transaction with that person. Due to the Treasury's determination that the revenue loss eligible use category does not give rise to subawards, the County was only required to comply with suspension and debarment requirements related to covered transactions.

Upon inquiry of the County in order to review the procedures in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded, the County divulged that they were unaware of the suspension and debarment requirements related to the SLFRF awards. A population of 14 covered transactions for goods or services that equaled or exceeded \$25,000 paid from SLFRF funds during the audit period was identified. A sample of 5 transactions, totaling \$2,040,301, was selected for testing. For each of the transactions, the County did not verify the vendors' suspension and debarment status prior to payment due to the County not having any policies or procedures in place to verify that vendors were neither suspended nor debarred, or otherwise excluded or disqualified, from participating in federal assistance programs or activities. Due to the number and magnitude of exceptions identified, per auditor judgment, we concluded it would not be appropriate to expand the sample size or perform any additional audit procedures.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

31 CFR 19.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

A proper system of internal controls was not designed by management of the County. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the County's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, vendors to whom payments equal to or in excess of \$25,000 were not verified to be not suspended, debarred, or otherwise excluded.

Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the County.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the County establish a proper system of internal controls and develop policies and procedures to ensure contractors and subrecipients, as appropriate, are not suspended, debarred, or otherwise excluded prior to entering into any contracts or subawards.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2022-004

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: Department of the Treasury
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Assistance Listings Number: 21.027
Federal Award Number and Year (or Other Identifying Number): 2022
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition and Context

The County had not properly implemented a system of internal controls, which would include appropriate segregation of duties that would likely be effective in preventing, or detecting and correcting, noncompliance. Recipients are required to submit quarterly or annually Project and Expenditure (P&E) reports to the U.S. Department of the Treasury (Treasury). The reporting periods, as well as the respective due dates, are based upon type of recipient and its population, as well as the recipient's allocation amount. Information to be reported includes projects funded, expenditures, and contracts for the appropriate reporting period.

The County was classified as a metropolitan county with a population below 250,000 residents that received an allocation of less than \$10 million in Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funding. As such, the initial P&E report, covering the period from March 3, 2021 to March 31, 2022, was required to be submitted to the Treasury by April 30, 2022. The subsequent annual reports are to cover one calendar year and must be submitted to the Treasury by April 30 each year.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County submitted one P&E report during the audit period; however, there was no documentation of a proper review or oversight process in place to ensure the report was accurate prior to being submitted. Per inquiry, the County Auditor prepared the report and the report was reviewed and submitted by the President of the Board of County Commissioners (President). However, source documents to adequately review the data in the report were not provided to the President, nor was there evidence to support the review or oversight process took place. Due to the lack of internal controls, the P&E report submitted was not properly supported by the County's records. The County incorrectly reported as total expenditures and total obligations the total allocation of their grant funds, \$6,275,450, instead of the actual expenditures and obligations of \$12,500 spent and obligated during the reporting period. The lack of internal controls and noncompliance were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Coronavirus State and Local Fiscal Recovery Funds Compliance and Reporting Guidance, page 10, states in part:

". . . **10. Reporting.** All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles. . . ."

Cause

A proper system of internal controls was not implemented by management of the County, which would include segregation of key functions. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the County's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect

Without the proper implementation of an effectively designed system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the County. In addition, not meeting the SLFRF reporting requirements increases the likelihood that the public will not have access to transparent and accurate information regarding expenditures of federal awards.

JEFFERSON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that management of the County design and implement a proper system of internal controls that would provide a segregation of duties for the preparation and review of federal reports to ensure appropriate reviews, approvals, and oversight are taking place. Additionally, management should develop policies and procedures to ensure that the County provides the Treasury with complete and accurate information for the P&E report.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



The Office of:

HEATHER HUFF

COUNTY AUDITOR

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001

Fiscal year in which the findings initially occurred: 2020

Status of Audit Finding: Ongoing

This is an ongoing process not yet resolved. During our audit that took place in 2021, it was determined, that Jefferson County was providing insufficient information for SEFA. At that time, a new process was started to try to collect all information from offices. Further education to the Auditor's Office and to departments that receive grants to continue to build that program. The Auditor staff will also review the possibility of a Grant Policy to help implement the grant procedure across the County.

JEFFERSON COUNTY TREASURER

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-002

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding:

After completing the previous audit, the Treasurer's Office made it a priority to no longer make postdated transactions in the cash book. For all other issues noted during the prior audit developing the necessary internal control(s) to correct those issues is still a work in progress. In October of 2022 the former Treasurer retired from her position prior to finishing out her term. The current Treasurer took over the office without being fully staffed. Treasurer's office became fully staffed in 2023. A new accounting software system is replacing the old software system in August 2023. The Treasurer will set up processes and an internal control(s) to correct the issues under the new system.



The Office of:

HEATHER HUFF

COUNTY AUDITOR

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-003

Fiscal year in which the findings initially occurred: 2021

Status of Audit Finding: Complete

Financial Close and Reporting

The Auditor's Office has implemented a process over verifying that ALL entries in Gateway for the Annual Financial Report (AFR) have been entered correctly and accurately. Once the Auditor has entered all the information a printout of the un-submitted AFR is presented to the Deputy Auditor. The Deputy Auditor will then review that information and compare it back to the specialized AFR report from the County's accounting system. In addition, the Deputy Auditor will also compare the data from the CAR-1 reports submitted by the other County Offices that maintain their own financial recordkeeping. Once completed the Deputy Auditor will initial the un-submitted printed AFR if it agrees with the supporting documentation.

Disbursements

The Auditor's Office alongside the HR Director has developed a process to review all disbursements made from the Self Insurance Fund for the County's Self-Funded health insurance. The third-party administrator provides HR with a detailed listing of disbursements while the Payroll Clerk gets a similar report without some of the details (such as the names of those individuals the medical claims are being paid on behalf of.) HR will review a detailed list of disbursements from the third-party administrator to determine that all disbursements are related to individuals covered by the County's self-funded health insurance which employees opted to enroll in during the open enrollment period of the County's employment benefits. HR will then sign a tracking log kept by the Payroll Clerk indicating approval over the payment of those specific disbursements. The Payroll Clerk will sign off on the log if the total disbursement matches the total approved by HR. This process is required to be completed within a few days of receiving the detailed reports from the third-party administrator.



JEFFERSON COUNTY SHERIFF'S OFFICE

Sheriff Benjamin Flint

317 WALNUT ST. MADISON INDIANA 47250

OFFICE 812-265-6089 FAX 812-265-2941

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding 2021-004

Fiscal year in which the finding initially occurred: 2021

Status of Audit Finding:

Commissary Fund

1. Following the conclusion of the previous audit in 2022 the Sheriff began physically signing off on all bills and invoices prior to giving those to the Matron for her to create a check for payment. Invoices provided to the Matron directly that are related to the goods to be sold out of Commissary are sent back with all the other invoices the Sheriff signed off on. The Sheriff would then physically sign the checks prior to being sent to the payees. In the absence of the Sheriff unable to sign off on a check the Matron would sign the check with a signature stamp provided by the Sheriff. The Sheriff would then go back to review the check on the carbon paper and provide his initials to approve of the written check signed with the signature stamp.

All other activities requiring separation of incompatible activities such as the issuing of receipts, reconciling daily collections, preparing and making bank deposits, recording receipt transactions, and performing the reconciliation of the depository account balance with the record balance were not corrected in 2022. A newly elected Sheriff took office in 2023.

Procedures have been put in place with the new Sheriff starting in 2023. The Sheriff will sign all issued receipts, deposit receipts, and bank reconciliations. There will be a signature line added to the bottom of every monthly Commissary Ledger for the Sheriff's approval and Sheriff will compare all numbers to the bank statement.

2. This issue is partially correct. Procedures were not in place to verify the receipt of goods or services prior to payment of invoices where items were received to be sold through Commissary in 2022. All other disbursements in 2022 were first approved by the Sheriff as noted above.

With a newly elected Sheriff that took office in 2023 an additional process will be implemented to account for the items received exclusively for Commissary sales. The Commissary Clerk will sign off on all the claim forms to indicate she received the goods.

3. This issue was corrected in 2022. The Sheriff receives all bills, initials, and forwards them to the Matron. The Matron receives bills exclusively for the items to be sold from Commissary. The Matron then

completes the Commissary ledger and fills out the checks. All bills are then sent back to the Sheriff for his signature.

In the event of the Sheriff's absence, Matron gets verbal approval of any checks or deposits made in his absence. Matron is permitted to use the Sheriff's signature stamp, accompanied by her initials. Upon the Sheriff's return to work, Sheriff will initial the carbon papers with approval in the check book. The Sheriff's initials on the carbon copy are for approval of the stamp use and the check.

4. This issue was not corrected in 2022. A newly elected Sheriff took office in 2023. A process will be implemented in 2023. There will be a signature line added to the bottom of every monthly Commissary Ledger for the Sheriff's approval and Sheriff will compare all numbers to the bank statement.

Inmate Trust

- 1) There is a secondary person that signs off on all deposits along with the Administrative Assistant. However, the recording receipts, reconciliations, disbursements, and adjustments are still in a work in progress.
- 2) Our safe is checked daily to make sure we do not go over the \$500 threshold by Administration. If a deposit is necessary, one is done by the administrative assistant and reviewed by a secondary person, with reports to coincide with the amount of money we have. The secondary person will escort the administrative assistant to the bank, review the bank statement and sign off on the completed deposit. All records are kept in a binder.
- 3) This is still a work in progress, with new administration in office as of 2023 - along with the new vendors we are currently working on finding the most beneficial process.
- 4) Debit cards for releases are all documented in our Money Management system, with the name of the officer who released the card. The money amount cannot be altered in the system. Reconciliations for the Electronic Withdrawal reports are done to ensure that each inmate that is released, received the amount they were supposed to. Jail shift leads release money to the inmate, and Administration does the review of the cards daily. At this time, no one reviews the Administration's process and that is a work in progress to assign a secondary review.
- 5)
 - a) This is still a work in progress, with new administration in office as of 2023 - along with the new vendors we are currently working on finding the most beneficial process.
 - b) This is still a work in progress, with new administration in office as of 2023 - along with the new vendors we are currently working on finding the most beneficial process.
 - c) This is still a work in progress, with new administration in office as of 2023 - along with the new vendors we are currently working on finding the most beneficial process.
 - d) Payment Cards A/P account has been worked on with balancing the money management system, but is not completed at this time.
 - e) Debt Account A/R will always have a balance because inmate debts do not go away - in example of Medical debt or property damages. Anything besides that is still a work in process to be cleared, we are working on a better solution/process with the new administration and new contractors for 2023.

- 6) This is still a work in progress, with new administration in office as of 2023 - along with the new vendors we are currently working on finding the most beneficial process.
- 7) This is still a work in progress, with new administration in office as of 2023 - along with the new vendors we are currently working on finding the most beneficial process.
- 8) Any discrepancies or error has always been brought to the attention of the Jail Commander and a report is made. But there is not a paper trail and that will be implemented in 2023.
- 9) There is a process in place for this in 2023 - Sheriff will verify the CAR-1, Administrative assistant will prepare the CAR-1, and we will provide supported documentation.



Jefferson County Clerk

Courthouse, Room 203

300 E. Main Street

Madison, Indiana 47250

Phone: (812) 265-8924 ext. 1924 Fax: (812) 273-5428

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-005

Fiscal year in which the finding initially occurred: 2021

Status of Audit Finding:

An internal control process was put in place over completing the Supplemental CAR-1 report to make sure there were no material errors reported. The Deputy Clerk fills out the report using documentation from the recordkeeping systems. The Clerk will then sign the Supplemental CAR-1 report indicating her approval over the accuracy of the Supplemental CAR-1 report that will be provided to the County Auditor.



The Office of:

HEATHER HUFF

COUNTY AUDITOR

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-006

Fiscal year in which the findings initially occurred: 2021

Status of Audit Finding: Ongoing

This is an ongoing process not yet resolved. During previous audit in 2022 the exit conference was past the report due date of July 31st. Corrections at the time could not occur. Currently in 2023, the County has hired a new Archivist in July that has not been able to file the 2023 report. Supporting documentation will be kept along with an internal control process over completing and reviewing the information upon submitting the jobs retained report to the Indiana office of Community and Rural Affairs for 2023.



The Office of:

**Jefferson County
County Council**

CORRECTIVE ACTION PLAN

FINDING 2022-001

Contact Person Responsible for Corrective Action: Heather Huff
Contact Phone Number: 812-265-8936

Views of Responsible Official: We Concur.

Description of Corrective Action Plan: The Auditor's Office will continue to develop the grant plan. Jefferson County will need an updated grant policy to effectively update the process. The Auditor will work with the Jefferson County Attorney to develop this policy. The Auditor will collect the previously implemented Grant Summary sheet from grant applicants, but will also include the grant. The entry of the SEFA will be input by the County Auditor but will be verified by one of the Deputy Auditor's. A detailed log of verifications will be held in our annual financial report folder. In addition a checklist will be implemented to verify internal controls.

Anticipated Completion Date: March 2024

JEFFERSON COUNTY TREASURER

CORRECTIVE ACTION PLAN

FINDING 2022-002

Contact Person Responsible for Corrective Action: Meghan Hoskins
Contact Phone Number: 812-265-8910

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

We will have an internal control process in place over the CAR-1 report and Cashbook/Bank Reconciliation to ensure we will have enhanced accuracy over the reporting of financial information. A deputy will prepare them and then they will be checked by the Treasurer.

We are switching our financial software program to LOW in the coming weeks, which will better accommodate the reports and accounting systems, correcting past issues and preventing future ones. We will be reconciling with the Auditor's office on a daily basis with the new software and balances will be researched and will match going forward. We will do a daily ledger to identify any outstanding transactions that need to be addressed.

Once the bank reconciliation process is properly in place, then completing the Form 61 and Form 47 TR will be resolved while a deputy and the Treasurer dual check these forms.

Anticipated Completion Date:12/31/2023



The Office of:

**Jefferson County
County Council**

CORRECTIVE ACTION PLAN

FINDING 2022-003

Contact Person Responsible for Corrective Action: Heather Huff
Contact Phone Number: 812-265-8907

Views of Responsible Official: We Concur

Description of Corrective Action Plan: Jefferson County will now as of (8-15-23) collect a contract when disbursing Federal funds that will include information that by agreeing to receive the funds you will use funds for the intended purposes, and your organization is not disbarred.

Anticipated Completion Date: To be completed April 15th 2024.



The Office of:

HEATHER HUFF

COUNTY AUDITOR

CORRECTIVE ACTION PLAN

FINDING 2022-004

Contact Person Responsible for Corrective Action: Auditor
Contact Phone Number:812-265-8936

Views of Responsible Official: We Concur

The Auditor will retain documentation and present to the Commissioners before submitting annual financial reports. Jefferson County will now also prepare a checklist for every preparation of all future ARPA reports due.

Anticipated Completion Date: May 2024

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.