

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JEFFERSON COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

09/11/2023

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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 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to the audit report of Jefferson 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 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 Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

August 21, 2023

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COUNTY AUDITOR
JEFFERSON COUNTY

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

Condition and Context

Financial, supplemental, 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 AFR information entered into Gateway, which resulted in the following errors:

Leases and Debt

The County incorrectly reported a capital lease as notes and loan payable, resulting in the ending principal and balance of the notes and loan payable being overstated by \$31,838,104, and the annual lease payment for the capital lease being understated by \$2,721,000.

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.

Capital Assets

The County incorrectly reported its capital asset totals for the activities associated with buildings, machinery, equipment and vehicles, and construction in progress on the Schedule of Capital Assets. Buildings were overstated by \$34,835,689; Machinery and Equipment were understated by \$341,946; and Construction in Progress was understated by \$7,000,000.

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

Grant Information

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 Schedule of Expenditures of Federal Awards presented in the Federal Compliance Audit Report.

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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](#)."

APPROVAL OF CLAIMS

Condition and Context

The County Auditor did not have a properly documented internal control process over disbursements.

The Accounts Payable Clerk and Payroll Clerk both have a signature stamp with the County Auditor's signature and use the signature stamp to approve claims on behalf of the County Auditor. The County Auditor stated that she "spot checked" claims; however, no documentation was presented to indicate that this was being performed.

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:

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

"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 5-11-10-1.6 states in part:

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

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

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

Indiana Code 5-11-10-2(a) states:

"Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

The decision on whether the number of items to be signed justifies the use of a rubber stamp or other device, including computer image signatures, for affixing a signature must be made by each official responsible for signing warrants, claims, and other official documents. A rubber stamp or other signing device should be used only under the direction of the official and should be properly safeguarded when not in use. Each official is responsible for their own signature. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND EXPENDITURES

Condition and Context

A review of disbursements paid from the MVH Restricted fund showed that the County disbursed \$26,738 for hot/cold mix purchases which was determined not be for the construction, reconstruction, and preservation of the County's roadways.

Criteria

Indiana Code 8-14-1-4(b) states: "For funds distributed to a county from the motor vehicle highway account, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county's highways."

COUNTY AUDITOR
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2023, with Heather Huff, County Auditor; Robert Little, President of the Board of County Commissioners; Ray Black, Jr., President of the County Council; Gary Copeland, County Council member; Heather Foy, County Council member; and Dwayne May, County Council member.

COUNTY SHERIFF
JEFFERSON COUNTY

COUNTY SHERIFF
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS

FINANCIAL TRANSACTIONS AND REPORTING

A similar comment appeared in prior Report B59687, entitled *FINANCIAL TRANSACTIONS AND REPORTING*.

Condition and Context

There were several deficiencies in the internal control system of the County Sheriff's Department related to financial transactions and reporting.

Commissary Funds

Internal control deficiencies over the Sheriff Commissary funds were identified as follows:

1. The County Sheriff had not separated incompatible activities related to financial transactions of the Sheriff Commissary fund. One employee was responsible for issuing receipts; reconciling daily collections; preparing and making bank deposits; recording receipt transactions to the financial records; and performing the reconciliation of the depository account balance with the record balance.
2. Internal controls were not in place to verify the receipt of goods or services prior to payment of invoices.
3. There were no oversight, review, or approval processes in place over the financial transactions or the monthly bank reconciliations.

Inmate Trust

Internal control deficiencies over the Sheriff Inmate Trust funds were identified as follows:

1. The County Sheriff had not separated incompatible activities related to financial transactions of the Inmate Trust accounts. One employee was responsible for issuing receipts; reconciling daily collections; recording receipts, disbursements, and adjustments in the financial records; and issuing checks.
2. Internal controls were not in place over disbursements. There were no internal controls in place to verify the receipt of goods prior to payment of invoices or for the approval of payments. There were no internal controls in place to verify that amounts invoiced by the vendor for goods ordered by the inmates had been properly deducted from the inmates' accounts. Internal controls were not in place to ensure documentation was retained to support disbursements made.
3. Internal controls were not in place over the inventory of debit cards issued to inmates to ensure all cards were properly accounted for and the dollar value placed on the card was properly authorized.
4. A process was not in place to review the financial records to identify unusual or incorrect financial transactions. A review of the financial ledger identified several accounts that had unexpected and usual balances indicating financial activity had not been recorded properly in the records or processed correctly within the computerized accounting system. The following accounts were identified as having improper or unusual balances:

COUNTY SHERIFF
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (a) The vendor payable accounts for amounts owed to vendors for inmate purchase had a debit balance; whereas the account was expected to have a credit balance if activity was properly recorded with the financial system.
- (b) The Inmate Bond payable account had a balance at year end that was comprised of amounts associated with inmate balances that existed prior to 2022. If transactions were properly recorded in the financial records, there should be a zero-balance associated with any activity prior to 2022 as the monies should have been disbursed to the Clerk of the Circuit Court.
- (c) The Cash Checking account had a large deficit account balance. This was the result of financial transactions that were not properly processed within the computerized accounting system to finalize the receipt of electronic funds transfers and correctly record the activity to the cash checking account.
- (d) The Payment Cards A/P account, representing amounts refunded to inmates via the use of debit cards, had activity within the account that had not been properly processed within the accounting system. If transactions had been properly processed, the activity within the account would have been cleared from the account and recorded in the cash checking account.
- (e) The Debt Account A/R account, representing amounts owed by inmates for purchases, had activity related to prior years that had not been properly processed and cleared out within the financial system to charge the individual inmate account.
5. A reconciliation of the depository account balance with the financial ledger record balance was not performed during the audit period.
6. Reconciliation of the inmate subsidiary control account to the detailed subsidiary record was not performed during the audit period.
7. There were no internal controls in place over recording and approving adjustment transactions to the financial records.
8. Internal controls were not in place to ensure accurate reporting of financial activity on the Supplemental Annual Financial Report submitted to the County Auditor for inclusion of the activity in the annual financial statement. As a result, the amounts reported to the County Auditor were incorrect.

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.

COUNTY SHERIFF
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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 5-13-6-1(3) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

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)

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

A similar comment also appeared in prior Report B59687, entitled *MONTHLY AND ANNUAL ENGAGEMENT UPLOADS*.

Condition and Context

The County Sheriff did not upload the required monthly and annual engagement document uploads. Monthly cash balance reports, bank reconciliements, bank statements, and outstanding check lists were not uploaded for the Sheriff Inmate Trust and Sheriff Commissary funds. Bank statements uploaded for the County Sheriff Cash Book did not include the optical image of the canceled checks. Additionally, the Inmate Trust Subsidiary Detail as of December 31, 2022, was not uploaded.

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

This amended directive is effective starting with December 2020 monthly files. The upload of December 2020 monthly files will be due February 15, 2021, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. This is effective for 2020 annual files which will be due for upload March 1, 2021, for calendar year end units. . . . Thereafter, annual files must be uploaded no later than March 1st . . . for the prior year end unless the SBOA establishes a different date.

COUNTY SHERIFF
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. . . .

The following files and governmental unit information are required to be uploaded monthly by all units except as noted: . . .

For County Clerks, Recorders, and Sheriffs:

- Cash Balance Reports,
- Bank Reconcilements, Bank Statements, and Outstanding Check Lists

The following files and governmental unit information are required to be uploaded annually (for Counties, these apply to County Auditors unless otherwise noted): . . .

- Additionally, for County Sheriff only: Inmate Trust Fund Subsidiary Detail as of December 31 . . .

(Amended State Examiner Directive 2018-1)

COUNTY SHERIFF
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2023, with Benjamin Flint, County Sheriff; Heather Huff, County Auditor; Robert Little, President of the Board of County Commissioners; Ray Black, Jr., President of the County Council; Gary Copeland, County Council member; Heather Foy, County Council member; and Dwayne May, County Council member.

COUNTY TREASURER
JEFFERSON COUNTY

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS

FINANCIAL TRANSACTIONS AND REPORTING

A similar comment appeared in prior Reports B58978 and B59687, entitled *FINANCIAL TRANSACTIONS AND REPORTING*.

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 (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.

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 County 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.

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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:

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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 5-13-6-1(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.

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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.

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)

MONTHLY ENGAGEMENT UPLOADS

A similar comment also appeared in prior Report B59687, entitled *MONTHLY ENGAGEMENT UPLOADS*.

Condition and Context

The County Treasurer did not upload the required monthly reconciliation between the County Auditor and County Treasurer, Form 61. The monthly bank reconcilements that were uploaded were not complete, as they did not contain the detailed outstanding checklist and detail of any other reconciling items.

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

This amended directive is effective starting with December 2020 monthly files. The upload of December 2020 monthly files will be due February 15, 2021, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. This is effective for 2020 annual files which will be due for upload March 1, 2021, for calendar year end units. . . . Thereafter, annual files must be uploaded no later than March 1st . . . for the prior year end unless the SBOA establishes a different date.

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. . . .

The following files and governmental unit information are required to be uploaded monthly by all units except as noted: . . .

For County Treasurers:

- Cash Balance Reports,
- Bank Reconcilements, Bank Statements, and Outstanding Check List
- Documentation of Reconciliation of Form 61 between Auditor and Treasurer . . .

(Amended State Examiner Directive 2018-1)

COUNTY TREASURER
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2023, with Meghan Hoskins, County Treasurer; Heather Huff, County Auditor; Robert Little, President of the Board of County Commissioners; Ray Black, Jr., President of the County Council; Gary Copeland, County Council member; Heather Foy, County Council member; and Dwayne May, County Council member.

COUNTY HIGHWAY DEPARTMENT
JEFFERSON COUNTY

COUNTY HIGHWAY DEPARTMENT
JEFFERSON COUNTY
AUDIT RESULT AND COMMENT

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND EXPENDITURES

Condition and Context

A review of disbursements paid from the MVH Restricted fund showed that the County disbursed \$26,738 for hot/cold mix purchases, which was determined not be for the construction, reconstruction, and preservation of the County's highways.

Criteria

Indiana Code 8-14-1-4(b) states: "For funds distributed to a county from the motor vehicle highway account, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county's highways."

COUNTY HIGHWAY DEPARTMENT
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2023, with Robert Phillips, County Highway Superintendent; Vickie L. Wehner, County Highway Clerk; Heather Huff, County Auditor; Robert Little, President of the Board of County Commissioners; Ray Black, Jr., President of the County Council; Gary Copeland, County Council member; Heather Foy, County Council member; and Dwayne May, County Council member.