

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

VIGO COUNTY, INDIANA

January 1, 2022 to December 31, 2022



**FILED**

10/05/2023



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## SCHEDULE OF OFFICIALS

| <u>Office</u>                                     | <u>Official</u>                        | <u>Term</u>                                  |
|---|--|--|
| County Auditor                                    | James W. Bramble                       | 01-01-22 to 12-31-23                         |
| County Treasurer                                  | Josie Swalls Thompson                  | 01-01-22 to 12-31-23                         |
| Clerk of the Circuit Court                        | Bradley M. Newman                      | 01-01-22 to 12-31-23                         |
| County Sheriff                                    | John A. Plasse                         | 01-01-22 to 12-31-23                         |
| County Recorder                                   | Diana Winstead-Smith                   | 01-01-22 to 12-31-23                         |
| County Assessor                                   | Kevin Gardner                          | 01-01-22 to 12-31-23                         |
| County Surveyor                                   | Bruce W. Allen, Jr.                    | 01-01-22 to 12-31-23                         |
| County Prosecutor                                 | Terry R. Modesitt                      | 01-01-22 to 12-31-23                         |
| County Coroner                                    | Janie Myers                            | 01-01-22 to 12-31-23                         |
| President of the Board of<br>County Commissioners | Chris Switzer<br>Mike Morris           | 01-01-22 to 12-31-22<br>01-01-23 to 12-31-23 |
| President of the<br>County Council                | Aaron D. Loudermilk<br>R. Todd Thacker | 01-01-22 to 12-31-22<br>01-01-23 to 12-31-23 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF VIGO COUNTY, INDIANA

This report is supplemental to the audit report of Vigo 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/](http://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

September 29, 2023

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COUNTY AUDITOR  
VIGO COUNTY

COUNTY AUDITOR  
VIGO COUNTY  
AUDIT RESULTS AND COMMENTS

**FINANCIAL STATEMENT REPORTING ERRORS**

The same comment also appeared in prior Report B61398.

*Condition and Context*

All financial activity of the County was provided to a third-party compiler. The compiler, utilizing the data provided, prepared the County's financial statements. Once the financial statements were prepared, the compiler provided the statements back to the County for review. The County's management reviewed the financial statements for accuracy and completeness; however, the system of internal controls over the review of the statements as established was not operating effectively to ensure errors were detected and corrected prior to being presented for audit.

Due to the lack of an effectively implemented system of internal controls, the financial statements presented for audit included the following material errors:

1. The Custodial Funds total Taxes Receivable and total Deferred Inflows were each overstated by \$239,533,928. In addition, the total Accounts Payable and total Deductions were each understated by \$14,620,549.
2. The financial statements originally presented for audit included the Terre Haute Convention Center as a Discretely Presented Component Unit (DPCU). Upon further inquiry of County officials, this was determined to be incorrect as the Terre Haute Convention Center is a department of the Capital Improvement Board (CIB), which is presented as a blended component unit for the County. As such, the activity for the Terre Haute Convention Center should have been included within the CIB and presented as a Nonmajor Special Revenue Fund.

Adjustments were proposed, accepted by the County, and made to the financial statements and are materially correct as presented.

*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. . . ."

COUNTY AUDITOR  
VIGO COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

**CAPITAL ASSETS**

*Condition and Context*

The County had not properly recorded assets on its capital asset listing. It was noted that assets approved for disposal were not recorded on the capital asset listing.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

**MONTHLY AND ANNUAL UPLOADS**

The same comment also appeared in prior Report B61398.

*Condition and Context*

The files and governmental unit information that are required to be uploaded monthly include the bank reconciliations, bank statements, outstanding check lists, approved board minutes, funds ledger summarizing total receipts, disbursements, and beginning and ending balances by fund, and documentation of Reconciliation of Form 61 between County Auditor and County Treasurer.

Annual upload requirements include the detail of receipt activity, detail of disbursement activity, current year salary ordinance, an annual vendor history report, annual payroll history report, annual funds ledger summarizing year-to-date total receipts, year to-to-date disbursements, and beginning and ending balances by fund.

The County Auditor did not comply with the State Examiner Directive and failed to upload any of the monthly or annual files on the Indiana Gateway for Government Units financial reporting system for 2022.

*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, Chapter 1)

COUNTY AUDITOR  
VIGO COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Beginning with July 2018 files, which will be due September 15, 2018, **all** cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

***CERTIFICATION ON INTERNAL CONTROL STANDARDS***

The same comment also appeared in prior Report B61398.

*Condition and Context*

The County certified in the Annual Financial Report that required personnel had received the training over internal control standards; however, documentation could not be provided to support that the required employees had completed the training.

*Criteria*

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

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

COUNTY AUDITOR  
VIGO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2023, with James W. Bramble, County Auditor; Mike Morris, President of the Board of County Commissioners; Chris Switzer, County Commissioner; Vicki Weger, County Council member; and Cheryl Loudermilk, Deputy County Auditor.

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BOARD OF COUNTY COMMISSIONERS  
VIGO COUNTY

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VIGO COUNTY  
AUDIT RESULT AND COMMENT

**TRAINING ON INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B61398.

*Condition and Context*

The County did not ensure that all applicable personnel had received training concerning the internal control standards. Documentation of which personnel that received the internal control training was not presented for audit.

*Criteria*

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

BOARD OF COUNTY COMMISSIONERS  
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EXIT CONFERENCE

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