

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

DECATUR COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
09/25/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Janet S. Chadwell	01-01-23 to 12-31-24
County Treasurer	Diane M. Wenning	01-01-23 to 12-31-24
Clerk of the Circuit Court	Janet Howell	01-01-23 to 12-31-24
County Sheriff	William B. Meyerrose	01-01-23 to 12-31-24
County Recorder	Dottie Robbins	01-01-23 to 12-31-24
President of the Board of County Commissioners	Mark Koors	01-01-23 to 12-31-24
President of the County Council	Danny D. Peters	01-01-23 to 12-31-24



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 DECATUR 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 Decatur County (County), for the year ended December 31, 2023, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated September 17, 2024, 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 2023-001 and 2023-002, 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 2023-001 and 2023-002.

Decatur 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

September 17, 2024



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 DECATUR COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Decatur 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, 2023. 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, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

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, 2023.

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)

*Matters 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 items 2023-003 and 2023-004 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 2023-005. 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 2023-003, 2023-004, and 2023-005, 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, 2023, and the related notes to the financial statement. We issued our report thereon dated September 17, 2024, 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

September 17, 2024

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.

DECATUR COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Numbers	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Justice</u>					
Public Safety Partnership and Community Policing Grants 16.710 CHP Deputy 20/23	Direct Grant	16.710	2020UMWX0341	\$ -	\$ 123,597
Total - Department of Justice				-	123,597
<u>Department of Transportation</u>					
Highway Safety Cluster State and Community Highway Safety 20.600 CITLI 22/23	Indiana Criminal Justice Institute	20.600	CHIRP-2023-00009	-	15,466
National Priority Safety Programs SAVE VSET	Indiana Criminal Justice Institute	20.616	SAVE-2023-00013 CHIRP-2023-00009	- -	5,235 3,931
Total - National Priority Safety Programs				-	9,166
Total - Highway Safety Cluster				-	24,632
Minimum Penalties for Repeat Offenders for Driving While Intoxicated DUI	Indiana Criminal Justice Institute	20.608	CHIRP-2023-00009	-	17,593
Highway Planning and Construction Bridge 236 Preliminary Engineering Bridge 236 Construction Engineering Bridge 131 Preliminary Engineering Bridge Inspections	Indiana Department of Transportation	20.205	DES 1600721 DES 1600802 DES 2101707 DES 1902065	- - - -	13,322 35,864 36,584 141,925
Total - Highway Planning and Construction				-	227,695
Total - Department of Transportation				-	269,920
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus Relief Fund Safety Awareness CARES Act Funding 21.019&93.323 CaresAct	Indiana Finance Authority	21.019	FY23 FY23	- -	17,700 46,683
Total - Coronavirus Relief Fund				-	64,383

DECATUR COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Numbers	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds ARP 21.027 Body Camera	Direct Grant Indiana Department of Homeland Security	21.027	FY23 FR-2023-ILBC-00004	-	542,718 7,144
Total - Coronavirus State and Local Fiscal Recovery Funds				-	549,862
Total - Department of the Treasury				-	614,245
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness 93.069 Public Health Prep	Indiana Department of Health	93.069	6NU9TP922052	-	50,000
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response 93.354 COVID Reopening Schools	Indiana Department of Health	93.354	NU90TP922179	-	46,779
Child Support Services Clerk expenditure Prosecutor Incentive Title IV-D Incentive Prosecutor Expenditure Clerks Incentive Indirect Costs	Indiana Department of Child Services	93.563	FY23 FY23 FY23 FY23 FY23 FY23	- - - - - -	14,242 157,133 12,114 17,567 6,368 44,260
Total - Child Support Services				-	251,684
Foster Care Title IV-E 93.658 Foster Care - Title IV-E	Indiana Department of Child Services	93.658	2023	-	1,408
Total - Department of Health and Human Services				-	349,871
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants 2022 EMPG	Indiana Department of Homeland Security	97.042	EMC-2022-EP-00005	-	30,000
Total federal awards expended				\$ -	\$ 1,387,633

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

DECATUR 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, 2023. 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.

DECATUR 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 - Coronavirus State and Local Fiscal Recovery Funds	Qualified
20.205	Highway Planning and Construction	Unmodified

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2023-001

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

Condition and Context

The County is required to file financial reports after the close of each calendar year. The reports are to be filed electronically as prescribed.

The County filed its reports as prescribed; however, the internal controls over the federal award information entered into 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), were not effective.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County had not properly reviewed the federal grant information prepared and submitted in Gateway. The Deputy County Auditor prepared the information, and it was reviewed and submitted by the County Auditor; however, the internal controls were not effective and did not detect and allow for correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit did not properly reflect the federal award expenditures of the County. The following errors were noted:

- The Child Support Services program expenditures were understated by \$134,799.
- The Highway Planning and Construction program expenditures were overstated by \$48,265.
- Other grants had individually immaterial errors that resulted in misstatements of expenditures of \$113,576.

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. . . ."

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; . . ."

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 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.
- (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."

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 as set forth in the uniform compliance guidelines. 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](#)."

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the County had not established an effective 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 2023-002

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

Condition and Context

The County is required to file financial reports after the close of each calendar year. The reports are to be filed electronically as prescribed.

The County filed its reports as prescribed; however, the internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's financial statement, were not effective.

The County had not properly reviewed the financial information prepared and submitted in Gateway. The Deputy County Auditor prepared and submitted the financial information into Gateway, and the County Auditor reviewed the information entered; however, the internal controls were not effective and did not detect and allow for correction of errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit did not properly reflect the financial activity of the County. The activity of four funds was omitted and posting errors were made which resulted in the beginning cash and investment balances reported being understated by \$4,495,650, receipts being understated by \$872,934, disbursements being understated by \$2,399,011, and ending cash and investment balances being understated by \$2,969,573.

Audit adjustments were proposed, accepted by the County, and made to the financial statement presented in the Financial Statement Audit Report of the County.

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:

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(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. . . ."

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 as set forth in the uniform compliance guidelines. 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](#)."

Cause

Management of the County had not established an effective system of internal controls that would have ensured proper reporting of its financial information in Gateway.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement included 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.

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-003

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): FR-2023-ILBC-00004
Pass-Through Entity: Indiana Department of Homeland Security
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

Procurement Policy

The County did not have documented procurement procedures or policies reflecting applicable state or federal laws and regulations for procuring goods and services paid with federal funds.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Small Purchases

Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is customarily set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000 or less for when small purchase procedures may be used. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

One vendor was identified that fell within the small purchase threshold. Purchases for body cameras and associated equipment/accessories to the vendor totaled \$117,144, of which \$7,144 was paid from the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds received from the Indiana Department of Homeland Security. As a portion of the purchases to the vendor were paid with federal funds subject to procurement requirements, the entirety of purchases with the vendor was required to follow applicable procurement requirements. As such, price or rate quotations from an adequate number of qualified sources should have been obtained. However, the County did not obtain price or rate quotations for the purchases, nor was full and open competition provided for the vendor. Additionally, there was no documentation available to support the rationale to limit competition.

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). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include: . . .

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(2) *Small purchases* –

(i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity. . . ."

Cause

A proper system of internal controls over procurement and suspension and debarment was not implemented by the management of the County to ensure that goods and services were properly procured. 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, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material non-compliance. As a result, property and services were not properly procured.

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 procedures to ensure that property and services are properly procured.

Views of Responsible Officials

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

FINDING 2023-004

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): FY23
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

Procurement Policy

The County did not have documented procurement procedures or policies reflecting applicable state or federal laws and regulations for procuring goods and services paid with federal funds.

Small Purchases

Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is customarily set at \$250,000. However, Indiana Code 5-22-8 has a more restrictive threshold of \$150,000 or less for when small purchase procedures may be used. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources.

One vendor was identified that fell within the small purchase threshold, with total purchases of \$33,100. Price or rate quotations were not obtained, nor was full and open competition provided for the vendor. Additionally, there was no documentation available to support the rationale to limit competition.

Simplified Acquisition Threshold

When the value of the procurement for property or services exceeds the simplified acquisition threshold (SAT), or a lower threshold established by a nonfederal entity, formal procurement methods are required. The SAT is typically set at \$250,000; however, Indiana Code 5-22-8 has a more restrictive threshold, and, therefore, the threshold the SAT is set at \$150,000. Formal procurement methods require adherence to documented procedures and formal methods such as sealed bids or proposals.

One vendor was identified that fell within the SAT, with total purchases of \$213,734. Sealed bids or competitive proposals were not obtained, nor was a circumstance met that would have allowed for a noncompetitive procurement for the purchases.

Suspension and Debarment

Prior to entering into subawards and covered transactions with the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (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 nonprocurement 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.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County did not have any policies or 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. A population of six covered transactions, totaling \$470,435, that equaled or exceeded \$25,000 paid from SLFRF award funds was identified. Four of the six covered transactions, totaling \$312,745, were selected for testing. For each of the four transactions, the County did not verify the vendors' suspension or debarment status prior to payment due to the County not having any policies or procedures in place to verify that contractors were neither suspended nor debarred, or otherwise excluded or disqualified, from participating in federal assistance programs or activities.

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). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include: . . .

(2) *Small purchases –*

(i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity. . . .

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(b) *Formal Procurement Methods.* When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate: . . .

- (1) *Sealed bids.* A procurement method in which bids are publicly solicited and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bids method is the preferred method for procuring construction, if the conditions. . . .
- (2) *Proposals.* A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. . . ."

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 over procurement and suspension and debarment was not implemented by the management of the County to ensure that goods and services were properly procured and that vendors to whom payment equaled or exceeded \$25,000 were not suspended or debarred. 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, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, property and services were not properly procured and 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.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 procedures to ensure that property and services are properly procured and that contractors 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 2023-005

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): FY23
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition and Context

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 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) award funds. 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.

The County submitted one P&E report during the audit period; however, internal controls were not in place to prevent, or detect and correct, errors. As a result, the following errors were noted:

- The current period expenditures for 8 of 16 projects were understated by \$635,748. In addition, current period expenditures for 1 of 16 projects was overstated by \$29,767.
- The cumulative expenditures for 6 of 16 projects were understated by \$285,748. In addition, cumulative expenditures for 1 of 16 projects was overstated by \$29,767.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

31 CFR 35.4(c) states in part: "*Reporting and requests for other information.* During the period of performance, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds. . . ."

Cause

A proper system of internal controls was not designed or implemented by management of the County to prevent and detect errors on the P&E report prior to submission.

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. As such, the County did not report current period expenditures and cumulative expenditures properly when filing the P&E report for the period April 1, 2022 to March 31, 2023.

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.

Questioned Costs

There were no questioned costs identified.

DECATUR COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management of the County strengthen its system of internal controls to provide for a segregation of duties in the preparation and review of federal reports to ensure appropriate reviews, approvals, and oversight are taking place. We also recommended the development of policies and procedures to ensure 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 DOCUMENT

The subsequent document was provided by management of the County. The document is presented as intended by the County.



Janet S. Chadwell
Decatur County Auditor

150 Courthouse Square, Suite 133, Greensburg, Indiana 47240

Phone - 812-663-2570

Fax - 812-663-2242

auditor@decaturcounty.in.gov

CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Preparation of the Schedule of Expenditures of Federal Awards
Summary of Finding:

The County had not properly reviewed the federal grant information prepared and submitted in the Gateway. The Deputy Auditor prepared the information, and it was reviewed and submitted by the County Auditor; however, the internal control was not effective and did not detect and allow for correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit did not properly reflect the federal award expenditures of the County. The following errors were noted:

- The Child Support Services program expenditures were understated by \$134,799.
- The Highway Planning and Construction program expenditures were overstated by \$48,265.
- Other grants had individually immaterial errors that resulted in misstatements of expenditures of \$113,576

Contact Person Responsible for Corrective Action: Janet Chadwell

Contact Phone Number and Email Address: 812-663-2570 jchadwell@decaturcounty.in.gov

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Our corrective action plan for all grants includes better communications with all of the departments who are applying for and/or have been awarded any types of grants. We did create a spreadsheet for all grants and are working on revising/updating several forms including grant proposal form- which all departments must submit for approval by the County Commissioners and County Council prior to applying for any grants- grant revenues and expenses reports from departments plus a 'grant close out' notification from department. The Auditor and the Deputy Auditor - who tracks all of the grants - will review the reports from the department and our financial records after the Commissioners' second meeting of each month in order to prevent under or over stating balances of all grants.

Anticipated Completion Date: We hope to have forms and policies in place before December 31, 2024.

FINDING 2023-002

Finding Subject: Financial Transactions and Reporting
Summary of Finding:

The County had not properly reviewed the financial information prepared and submitted in the Gateway. The Deputy Auditor prepared and submitted the financial information into the Gateway, and the Auditor reviewed the information entered; however, the internal control was not effective and did not detect and allow for correction of errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit did not properly reflect the financial activity of the County. The activity of four funds was omitted and posting errors were made which resulted in the beginning cash and investment balances reported being understated by \$4,495,650, receipts being understated by \$872,934, disbursements being understated by \$2,399,011, and ending cash and investment balances being understated by \$2,969,573.

Contact Person Responsible for Corrective Action: Janet Chadwell
Contact Phone Number and Email Address: 812-663-2570 jchadwell@decaturcounty.in.gov

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Our corrective action plan is to label investments as such and not disbursements which affects the cash balances in our financial reports that are uploaded for the Annual Financial Report in Gateway. Prior to submitting the Annual Financial Report, we will compare the information in Gateway to our fund report to ensure all activity has been reported.

Anticipated Completion Date:
March 1, 2025

FINDING 2023-003

Finding Subject: COVID 19 - Coronavirus State and Local Fiscal Recovery Funds - Procurement and Suspension and Debarment
Summary of Finding:

The County did not have documented procurement procedures or policies reflecting applicable State or Federal laws and regulations for procuring goods and services paid with Federal funds.

One vendor was identified that fell within the small purchase threshold, with total purchases of \$117,144.20, of which \$7,144.20 was paid from the State and Local Fiscal Recovery Funds received from the Indiana Department of Homeland Security. Price or rate quotations were not obtained, nor was full and open competition provided for the vendor. Additionally, there was no documentation available to support the rationale to limit competition.

Contact Person Responsible for Corrective Action: Janet Chadwell
Contact Phone Number and Email Address: 812-663-2570 jchadwell@decaturcounty.in.gov

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: We have discussed a procurement policy with our county attorney who is working us on that. We will present a draft policy to the Commissioners hopefully by mid-November. We will implement internal controls to ensure that the established procurement procedures are followed to ensure open competition.

Anticipated Completion Date: December 31, 2024

FINDING 2023-004

Finding Subject: COVID 19 - Coronavirus State and Local Fiscal Recovery Funds - Procurement and Suspension and Debarment

Summary of Finding:

The County did not have documented procurement procedures or policies reflecting applicable State or Federal laws and regulations for procuring goods and services paid with Federal funds.

One vendor was identified that fell within the small purchase threshold, with total purchases of \$33,100. Price or rate quotations were not obtained, nor was full and open competition provided for the vendor. Additionally, there was no documentation available to support the rationale to limit competition.

One vendor was identified that fell within the Simplified Acquisition Threshold, with total purchases of \$213,734. Sealed bids or competitive proposals were not obtained, nor was a circumstance met that would have allowed for a noncompetitive procurement for the purchases.

The County did not have any policies or 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. A population of six covered transactions, totaling \$470,435, that equaled or exceeded \$25,000 paid from SLFRF funds was identified. Four of the six covered transactions, totaling \$312,745, were selected for testing. For each of the four transactions, the County did not verify the vendors' suspension or debarment status prior to payment due to the County not having any policies or procedures in place to verify that contractors were neither suspended nor debarred, or otherwise excluded or disqualified, from participating in federal assistance programs or activities.

Contact Person Responsible for Corrective Action: Janet Chadwell

Contact Phone Number and Email Address: 812-663-2570 jchadwell@decaturcounty.in.gov

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: We have begun a procurement policy discussion with our county attorney who is working us on that. We will include in this procurement policy requirements to all entities requesting grant funds to provide documentation of requests for proposals, quotes and or sealed bids and explanations on why vendor was chosen. A procedure for proof of a vendors' no suspensions or debarments from receiving federal funds will be also be added to this "policy in progress". We will implement internal controls to ensure that the established procurement procedures are followed to ensure open competition.

Anticipated Completion Date: December 31, 2024

FINDING 2023-005

Finding Subject: COVID 19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: Department of the Treasury
Summary of Finding:

The County submitted one Project and Expenditure report during the audit period; however, controls were not in place to prevent, or detect and correct, errors. As a result, the following errors were noted:

- The current period expenditures for 8 of 16 projects were understated by \$635,748. In addition, current period expenditures for 1 of 16 projects was overstated by \$29,767.
- The cumulative expenditures for 6 of 16 projects were understated by \$285,748. In addition, cumulative expenditures for 1 of 16 projects was overstated by \$29,767.

Contact Person Responsible for Corrective Action: Janet Chadwell

Contact Phone Number and Email Address: 812-663-2570 jchadwell@decaturcounty.in.gov

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Will create a better spreadsheet to track disbursements of appropriations/projects since the reporting period is April 1, 2024 to March 31, 2025. This grant will also be monitored by the ARPA Committee as part of the internal controls responsibility of the Auditor's office.

Janet S Chadwell, Auditor

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/>.