

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

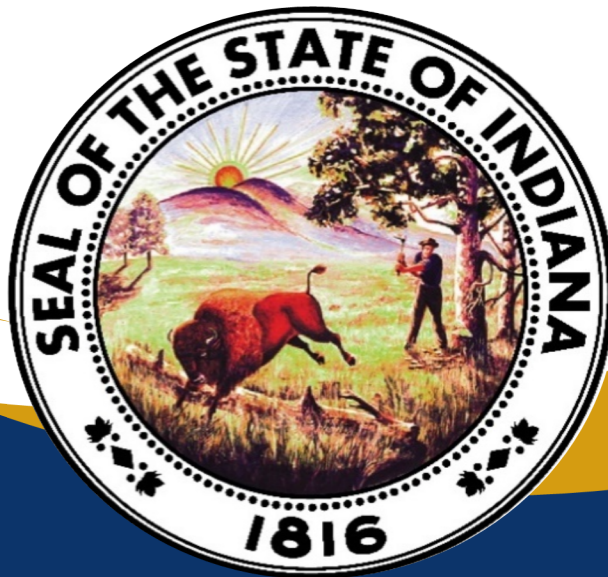
**Paul D. Joyce, CPA
State Examiner**

FEDERAL COMPLIANCE AUDIT REPORT

OF

LA PORTE COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
12/27/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Timothy Stabosz	01-01-21 to 12-31-24
County Treasurer	Jo Eileen Winski	01-01-21 to 12-31-24
Clerk of the Circuit Court	Heather Stevens	01-01-21 to 12-31-24
County Sheriff	John T. Boyd Ron Heeg	01-01-21 to 12-31-22 01-01-23 to 12-31-24
County Recorder	Elzbieta Bilderback	01-01-21 to 12-31-24
President of the Board of County Commissioners	Richard Mrozinski Sheila Matias Joseph Haney Connie Gramarossa	01-01-21 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 05-03-23 05-04-23 to 12-31-24
President of the County Council	Randy Novak Michael Rosenbaum Randy Novak	01-01-21 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24



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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

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 LA PORTE 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 La Porte County (County), for the year ended December 31, 2021, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated November 21, 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 2021-001, 2021-002, 2021-003, and 2021-004, 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 2021-001, 2021-003, and 2021-004.

La Porte 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

November 21, 2024



Paul D. Joyce, CPA
State Examiner

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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 LA PORTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Qualified Opinions

We have audited La Porte 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, 2021. 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 Highway Planning and Construction Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified 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 Highway Planning and Construction Cluster for the year ended December 31, 2021.

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 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, 2021.

Basis for Qualified 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 Highway Planning and Construction Cluster

As described in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding 20.205 Highway Planning and Construction Cluster, as described in item 2021-005 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.

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 item 2021-006 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.

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)

- 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.

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 2021-007. 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 2021-005, 2021-006, and 2021-007, 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.

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)

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.

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, 2021, and the related notes to the financial statement. We issued our report thereon dated November 21, 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

November 21, 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.



LA PORTE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
National School Lunch Program	Indiana Department of Education	10.555	FY2021	\$ -	\$ 17,039
Juvenile Services Center Food Program					
Total - Child Nutrition Cluster				-	17,039
Child and Adult Care Food Program					
Juvenile Services Center Food Program	Indiana Department of Education	10.558	FY2021	-	298
Total - Department of Agriculture				-	17,337
<u>Department of Justice</u>					
Juvenile Justice and Delinquency Prevention					
Juvenile Justice LGBTQ Grant 20	Indiana Criminal Justice Institute	16.540	FY2021	-	7,301
Crime Victim Assistance					
Prosecutor Victim Advocate Grant	Indiana Criminal Justice Institute	16.575	FY2021	-	95,492
Edward Byrne Memorial Justice Assistance Grant Program					
Edward Byrne Memorial Justice Assistance Grant 2019	Indiana Criminal Justice Institute	16.738	2019-DJ-BX-0018	-	21,340
Edward Byrne Memorial Justice Assistance Grant 2020			2020-DJ-BX-0007	-	129,862
Total - Edward Byrne Memorial Justice Assistance Grant				-	151,202
Comprehensive Opioid, Stimulant, and Substance Abuse Program					
Federal Opioid Abuse Grant	Direct Grant	16.838	2019-AR-BX-K081	-	168,423
Total - Department of Justice				-	422,418
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction					
Lofgren Rd Intersection Grant	Indiana Department of Transportation	20.205	DES #1702829	-	108,621
Lincoln Trail Extension Grant			DES #1801831	-	67,448
Otis Road Bridge			DES #1401027	-	68,205
Marquette Greenway Grant			DES #1592335	-	3,318
Economic Development Corridor Grant			DES #1592338	-	49,840
Countywide Bridge Grant 20			DES #1902029	-	57,573
Sign Safety Upgrade Grant			DES #1902197	-	14,479
Bridge #97 Grant			DES #1902815	-	51,263
Union Mills Sidewalk Imp Grant			DES #1902818	-	2,632
Total - Highway Planning and Construction Cluster				-	423,379

LA PORTE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Highway Safety Cluster					
National Priority Safety Programs National Priority Safety Programs	Indiana Department of Transportation	20.616	FY 2021	-	2,745
State and Community Highway Safety State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	FY 2021	-	25,138
Total - Highway Safety Cluster				-	27,883
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Indiana Department of Transportation	20.608	FY 2021	-	17,791
Total - Department of Transportation				-	469,053
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus Relief Fund Coronavirus Relief Fund	Indiana Department of Health	21.019	FY 2021	-	100,000
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds Coronavirus State and Local Fiscal Recovery Funds Coronavirus State and Local Fiscal Recovery Funds	Direct Grant	21.027	Regular FY 2021 Revenue Loss FY 2021	- -	62,500 1,355,139
Total - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				-	1,417,639
Total - Department of the Treasury				-	1,517,639
<u>Environmental Protection Agency</u>					
Beach Monitoring and Notification Program Implementation Grants Indiana Lake Michigan Beach Grant	Indiana Department of Environmental Management	66.472	FY2021	-	5,859
Total - Environmental Protection Agency				-	5,859
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness Public Health Preparedness and Emergency Response 20	Indiana Department of Health	93.069	FY2021	-	27,362
Immunization Cooperative Agreements May COVID Mask	Indiana Department of Health	93.268	FY2021	-	139,646
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Indiana Department of Health	93.323	6 NU50CK000503	-	124,261
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution PRF ARP	Direct Grant	93.498	FY2021	-	106,264

LA PORTE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Child Support Enforcement	Indiana Department of Child Services	93.563			
Clerk Title IV-D Incentive			FY2021	-	14,440
Clerk Title 4D General Fund			FY2021	-	53,370
Pros Title IV-D Incentive			FY2021	-	47,780
Pros Title 4D General Fund			FY2021	-	660,782
Title IV-D Indirect General Fund			FY2021	-	43,551
Total - Child Support Enforcement				-	819,923
Opioid STR	Indiana Supreme Court Administration	93.788			
Opioid STR			022OPIOIDSORF20	-	60,000
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	Indiana Department of Health	93.946			
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs			5 NU38DP000007	-	1,460
Maternal and Child Health Services Block Grant to the States	Indiana Department of Health	93.994			
Maternal & Child Health Grant			FY2021	-	20,000
Total - Department of Health and Human Services				-	1,298,916
<u>Department of Homeland Security</u>					
Boating Safety Financial Assistance	Indiana Department of Natural Resources	97.012			
Marine Patrol Grant			FY2021	-	3,726
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
Emergency Management Performance Grants 2019			EMC-2019-EP-00003	-	55,062
Emergency Management Performance Grants 2020			EMC-2020-EP-00001	-	50,546
Total - Emergency Management Performance Grants				-	105,608
Total - Department of Homeland Security				-	109,334
Total federal awards expended				\$ -	\$ 3,840,556

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

LA PORTE 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, 2021. 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.

LA PORTE 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	Highway Planning and Construction Cluster COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Qualified Qualified

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2021-001

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-001.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

The following deficiencies in the internal control system of the County related to financial transactions and reporting caused material errors in the financial statement presented for audit to remain undetected.

Receipts

Due to the lack of internal controls, receipt errors remained undetected by the County. The financial statement was not adjusted for the following errors noted:

- The December 2021 property tax and license excise settlement distributions for the Cumulative Bridge Fund, the Cty Cumulative Capital Devel., the County Health Dept., the Major Cumulative Bridge Fund, and the 2015 Reassessment funds, totaling \$1,874,256, were erroneously posted to the General Fund.

This resulted in the overstatement of the General Fund receipts by \$1,874,256 and the understatement of the Cumulative Bridge Fund by \$390,653, the Cty Cumulative Capital Devel. fund by \$265,556, the County Health Dept. fund by \$669,377, the Major Cumulative Bridge Fund by \$232,636, and the 2015 Reassessment fund by \$316,034. The County corrected the posting error on December 1, 2022.

- The December 2021 bank reconciliation included \$1,099,691 of deposits or electronic funds transfers (EFT) received within the year that were not timely receipted and posted. Of that amount, \$716,821 were distributions from the State of Indiana and the remaining \$382,870 were interest and other charges for services received.
- On January 5, 2022, the County received \$2,035,387 from the State of Indiana for the January 2022 monthly local income tax (LIT) distribution. However, on January 7, 2022, the County back dated the receipt for the 2022 LIT distribution to December 30, 2021. This resulted in the overstatement of both receipts and the ending cash and investment balances for the LIT Certified Shares Dist fund by \$1,071,256 and the LIT Economic Development Dist fund by \$964,131.

Group Health Insurance Disbursements

The County is self-insured for group health insurance benefits to employees and contracts with a third-party administrator for the processing of the claims. The following deficiencies were noted:

- The County has granted the third-party administrator access to the County's self-insurance bank account to automatically withdraw funds via EFT to vendors without an oversight or review process prior to payment.
- The December 2021 bank reconciliation included \$2,694,741 of withdrawals that were processed by the County's third-party administrator for group health insurance that were not timely posted. This resulted in the Group Health Ins Fund disbursements to be understated and the ending cash and investments balance to be overstated, each by the \$2,694,741. The financial statement was not adjusted for this item.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Payroll Disbursements

The Board of County Commissioners (Commissioners) were to review and sign each department's payroll check register to ensure the accuracy, classification, presentation, and completeness of the payroll disbursements. However, payroll registers which included detailed information such as the employee's names, check number, fund, or amount paid to each employee was not provided to the Commissioners. Instead, the Commissioners were provided a Deduction Summary Totals report which lacked all the detail information for the proper implementation of the internal control.

Financial Close and Reporting

The County Auditor and the County Treasurer were required to independently prepare a monthly financial statement, which reflected the total receipts and disbursements and the balance for each fund for the month and year to date. An oversight or review process was not in place to ensure the monthly financial statements were complete and accurate.

The County did not have a system of internal controls over the preparation of the Annual Financial Report (AFR) entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the financial statement. The County Auditor submitted the AFR without evidence of an oversight or review process to ensure the accuracy and completeness of the financial information submitted.

The County Auditor was provided the AFR and other supplementary schedules in the financial statement format, the notes to the financial statement, and the Management Oversight of Nonaudit Services Checklist (Oversight Checklist) for review and approval prior to start of the audit. The Oversight Checklist documents management's responsibility for the financial statement and associated records. The following deficiencies were noted in the review process of the financial statement, other supplementary schedules, notes, and completion of the Oversight Checklist:

- The Oversight Checklist was signed by the County Auditor on April 11, 2024. However, the Deputy County Auditor continued to review the financial statement, other supplementary schedules, and notes until April 15, 2024, when all files including the Oversight Checklist were provided to the audit team. Documentation of an oversight or review process of any changes made by the Deputy County Auditor after April 11, 2024, were not provided.
- The approved financial statement file included formula errors which resulted in the combining schedule totals to not agree with the financial statement totals.

Adjustments were proposed, accepted by the County, and made to the financial statement and the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the County.

Furthermore, internal controls were not properly designed and implemented for the County's internal control environment, risk assessment process, information and communication process, or the IT environment, nor were internal controls monitored and evaluated for effectiveness.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(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:

"The control environment is the basic commonality for all and comprises the integrity and ethical values of the political subdivision established by the oversight body and management. The standards, processes, and structures which form the control environment pervasively impact the overall system of internal control. The oversight body and management convey leadership expectations, and overall tone which are reinforced by all officials and management throughout the various offices and departments. The control environment also contains the overall accountability structure for all employees through performance and reward measures. Within this structure, leadership demonstrates commitment to the political subdivision by having a process for attracting, developing, and retaining competent individuals. This component is static in that its underpinnings do not generally change with a given objective. . . ."

"Risk is the possibility that an event will occur and adversely affect the achievement of objectives. Risk assessment is the process used to identify and assess internal and external risks to the achievement of objectives, and then establish risk tolerances. Each identified risk is evaluated in terms of its impact and likelihood of occurrence. Overall, risk assessment is the basis for determining how risk will be managed. . . ."

Management identifies risks to the achievement of the political subdivision's objectives across the unit as a whole and within each office or department. Analysis of risk through determination of objective measures and variance tolerance is the basis for determining how the risks should be managed. The response to risk is selected: acceptance, avoidance, reduction, or sharing. . . ."

Internal control is a process, and part of that process is the responsibility for management to be continually aware of changes, both external and internal, that could affect the achievement of the political subdivision's objectives. Those changes should be analyzed for both their immediate effect and for any future impact. Management would then determine any modifications needed in the internal control process to adapt to these changes."

"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. . . ."

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

"Relevant information from both internal and external sources is necessary to support the functioning of the other components of internal control. Communication is the continual process of providing, sharing, and obtaining necessary information. Internal communication enables personnel to receive a clear message that control responsibilities are taken seriously by the organization. External communication enables relevant outside information to be internalized and internal information to be clearly communicated to external parties. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . ."

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1.

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction.

(Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

Cause

A system of internal controls was not designed or properly implemented by management of the County over financial transactions and the AFR to ensure the accuracy, classification, presentation, and completeness of the County Auditor's Fund Ledgers or the financial statement. Financial transactions and errors were not timely detected or posted due to the change in fiscal officer and an inexperienced staff.

The Board of County Commissioners, as the Oversight Body, and management had not ensured compliance with the internal control policies and procedures adopted. Management had not conducted a risk assessment or communicated the information necessary to ensure the accuracy and completeness of the financial records. An evaluation or monitoring of the County's system of internal controls for effectiveness had not been conducted.

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*. These misstatements, if uncorrected, could mislead end users of the financial statement.

The failure to assess risk, communicate, and monitor the internal control system placed the County at risk that internal controls may not be either designed properly or operating effectively to provide reasonable assurance that internal controls will prevent, or detect and correct, misstatements in a timely manner.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The magnitude of the internal control deficiencies and errors caused a significant delay to audit completion and reporting to the credit rating agencies.

Views of Responsible Officials

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

FINDING 2021-002

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-002.

Condition and Context

There were deficiencies in the internal control system of the County related to financial transactions and reporting of the Clerk of the Circuit Court (Clerk).

Cash and Investments

The monthly reconciliations of the bank and the Clerk's Cash Book were completed by the Bookkeeper and reviewed by the Clerk. However, evidence of the oversight or review process was not documented.

Financial Close and Reporting

The Clerk was required to prepare a Supplemental Annual Report (SAR) for inclusion in the County's cash basis Annual Financial Report submitted in the Indiana Gateway for Governmental Units financial reporting system, which is the basis for the financial statement. One employee completed the SAR without evidence of an oversight or review process prior to submission to the County Auditor.

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. . . .

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. . . ."

Cause

The system of internal controls over the review of the Clerk's cash and investments and SAR was not properly implemented. The Clerk did not document the implementation of a proper system of internal controls over financial transactions and reporting.

Effect

Without a proper system of internal controls in place that operated effectively, material errors could have remained undetected. These misstatements, if uncorrected, could mislead end users of the County's financial statement.

Views of Responsible Officials

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

FINDING 2021-003

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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-003.

Condition and Context

The following deficiencies in the internal control system of the County related to the financial transactions and reporting caused material errors in the financial statement presented for audit to remain undetected.

Bank Reconcilements - Cash and Investments

Monthly bank reconcilements were not properly completed. As such, the County was provided with additional time to prepare the required monthly reconcilements. Reconcilements as of December 31, 2021, were completed as of February 2024. The County did not prepare a combined bank reconciliation and instead reconciled by bank. The reconcilements were not combined and reconciled in total to the ledger and Cash Book.

With the additional time, the County determined the County Treasurer's Cash Book financial transactions were not timely or completely posted. Additional audit procedures were performed to test the December 31, 2021, reconcilements provided. The year-end reconcilements included reconciling items without supporting documentation and transactions that cleared the bank but not yet posted. This resulted in the understatement of receipts and disbursements by \$1,362,902 and \$2,735,940, respectively. The financial statement was not adjusted for these items.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Receipts

For collections received, receipted, and deposited to the bank, a review process was designed but was not properly implemented. Evidence of the review process was not documented. Furthermore, an oversight or review process was not designed or implemented over the electronic funds transfers received from the State of Indiana.

Financial Close and Reporting

The County Auditor and the County Treasurer are required to independently prepare a monthly financial statement, which reflects the total receipts and disbursements and the balance for each fund for the month and year to date. An oversight or review process was not in place to ensure the monthly financial statements were complete and accurate.

The County Treasurer was required to prepare a Supplemental Annual Report (SAR) for inclusion in the Annual Financial Report submitted in the Indiana Gateway for Government Units financial reporting system, which is the basis for the financial statement. The County Treasurer did not complete the 2021 SAR until April 29, 2024. This resulted in the omission of the After Settlement Collections fund from the AFR and financial statement, which understated the Beginning Cash and Investments Balance, Receipts, Disbursements, and Ending Cash and Investment Balance by \$4,451,205, \$3,834,014, \$4,451,205, and \$3,834,014, respectively.

Adjustments were proposed, accepted by the County, and made to the financial statement and Other Information - Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances 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:

"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 5-13-6-1(e) 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."

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

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](#)."

Cause

The protracted time taken to recreate and reconcile the 2020 through 2021 County Treasurer's Cash Book caused continued delays in the preparation of the monthly bank reconciliations and the submission of the SAR for inclusion in the AFR and financial statement. Internal controls had not been properly designed or implemented to ensure a combined bank reconciliation was completed or to ensure bank accounts reconciled in total to the County's records.

Internal controls had not been designed or implemented over receipts to ensure the accuracy, timeliness, and completeness of the County Treasurer's Cash Book.

Effect

Without a proper system of internal controls in place that operated effectively, errors in the County's financial statement remained undetected. These misstatements, if uncorrected, could mislead end users of the County's financial statement.

The magnitude of the internal control deficiencies and errors caused a significant delay to audit completion and reporting to the credit rating agencies.

Views of Responsible Officials

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

FINDING 2021-004

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

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-004.

Condition and Context

The County is required to file reports after the close of each fiscal 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 in the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's Schedule of Expenditures of Federal Awards (SEFA), were not effective.

The County did not properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

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

- The Highway Planning and Construction Cluster grants included state grants that resulted in the overstatement of expenditures by \$2,161,064.
- The COVID-19 - Coronavirus State and Local Fiscal Recovery Funds grant was omitted, which resulted in the understatement of expenditures by \$1,417,639.
- The Child Support Enforcement grant expenditures were understated by \$575,981.
- Two other grants had individual errors that resulted in total overstatements of expenditures of \$299,554.
- There were 16 additional grants that had individual errors that resulted in total understatements of expenditures of \$846,590.
- Other errors included incorrect program names, identifying numbers, and pass-through entities.

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:

LA PORTE 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.

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](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.1 states in part:

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

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (i) Effectiveness and efficiency of operations;
- (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

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

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

Cause

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

Effect

Without a proper system of internal controls in place that operates 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.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2021-005

Subject: Highway Planning and Construction - Procurement
Federal Agency: U.S. Department of Transportation
Federal Program: Highway Planning and Construction Cluster
Assistance Listings Number: 20.205
Federal Award Numbers and Years (or Other Identifying Numbers): DES #1702829, DES #1801831,
DES #1401027, DES #1592335,
DES #1592338, DES #1902029,
DES #1902197, DES #1902815,
DES #1902818

Pass-Through Entity: Indiana Department of Transportation
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The County had not properly designed or implemented a system of internal controls that would be effective in preventing, or detecting and correcting, noncompliance to ensure that the Local Public Agency (LPA) Selection Review Checklist was properly supported. The lack of internal controls resulted in noncompliance.

For consultant contracting (engineering and design related services) the Local Public Agency (LPA), (La Porte County) will create and send a Request for Proposal (RFP) to the Indiana Department of Transportation (INDOT), who will review and advertise them. Consultants can then respond to those RFPs by completing and submitting a Letter of Interest (LOI). After all LOIs are received and ranked, the County reports the number of LOIs received on the LPA Selection Review Checklist. The County did not keep or maintain the LOIs as reported to the INDOT on the LPA Selection Review Checklist. As a result, the number of LOIs documented on the checklist provided to the INDOT could not be verified or audited. In addition, we were unable to ensure the minimum number of LOIs were received to meet the procurement competition standards.

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). . . ."

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

49 CFR 18.36(9) states:

"Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

Cause

Management did not develop a system of internal controls to maintain records sufficient to detail the history of a procurement as required by retaining the LOIs.

Effect

The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the compliance requirements and resulted in a Qualified Opinion. 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 the County's management design and implement a proper system of internal controls to ensure the County retains the LOIs to ensure compliance with procurement requirements.

Views of Responsible Officials

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

FINDING 2021-006

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - 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 Numbers and Years (or Other Identifying Numbers): Regular FY 2021,
Revenue Loss FY 2021

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the procurement and suspension and debarment compliance requirement.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Prior to entering into subawards and covered transactions with Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), SLFRF funds, recipients are required to verify that 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 (e.g., grant agreement) that are expected to equal or exceed \$25,000 and all subawards. The verification is to be done by checking the Excluded Parties List System (ELPS), collection of a certification from that person or entity, or adding a clause or condition to the covered transaction with that person or entity.

Upon inquiring of the County to determine its policies and procedures related to suspension and debarment requirements for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), SLFRF funds, the County stated procedures were not in place to ensure vendors were not suspended or debarred prior to entering into covered transactions.

The County had not performed procedures to ensure the vendors were not suspended or debarred or otherwise excluded or disqualified from participation in federal assistance programs or activities during the audit period on 100 percent of the applicable two vendors that were paid with SLFRF funds, which totaled \$657,583.

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). . . ."

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 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

Management of the County did not develop a system of internal controls to ensure that policies and procedures were in place and followed, related to suspension and debarment.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As a result, vendors to whom payments equal to or in excess of \$25,000 were not verified to be not suspended, debarred, or otherwise excluded. Any program funds the County used to pay contractors that have been suspended or debarred would be unallowable, and the funding agency could potentially recover them. Furthermore, 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, including policies and procedures to ensure its compliance with requirements related to suspension and debarment.

Views of Responsible Officials

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

FINDING 2021-007

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): Revenue Loss FY 2021
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the County in order to ensure compliance with requirement related to the grant agreement and the reporting compliance requirement.

Recipients were required to submit a one-time Interim report to the U.S. Department of the Treasury (Treasury). The respective due date was August 31, 2021, or 60 days after receiving funding if funding was received by October 15. The report was to show expenditures by category.

The County submitted the required interim report during the audit period. The County's process for the completion and submission of the Interim Report was that the County Auditor prepared the Interim Report based on the County's records, without a proper oversight or review process in place prior to submission.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The Interim Report was determined to be materially misstated. The County understated the December 31, 2019 Base Year Revenues by \$660,302.

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 ensure that policies and procedures were in place related to reporting to ensure the amounts reported were accurate.

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

Questioned Costs

There were no questioned costs identified.

LA PORTE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the management of the County establish a system of internal controls and develop policies and procedures over the preparation and review of federal reports to ensure appropriate reviews, approval, and oversight are taking place. Additionally, management should develop policies and procedures to ensure that the County provides the Treasury with complete and accurate information for all reports.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR
555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001 and FINDING 2019-001

Fiscal year in which the finding initially occurred: 2019
Current Audit Period: 2021

Finding Subject: Financial Transactions and Reporting
Summary of Finding:

Financial statements and Notes to the Financial Statements

The County did not have effective internal controls in place to ensure the financial statements and note disclosures were accurate and complete.

Taxes Receivable

The County did not have effective internal controls in place related to taxes receivable to ensure accurate reporting. Procedures were not performed to verify mathematical calculations or ensure that the correct source documents were used in the calculations. Penalties and interest totaling \$5,662,391 were omitted from the property tax receivable calculation.

Discretely Presented Component Units

The County did not have effective controls to ensure financial statements and note disclosures were accurate, complete, and in accordance with GAAP basis of accounting.

Other Post-Employment Benefits Census Data

There was no documentation that shows the OPEB census data was reviewed by a second individual prior to providing the information to the actuary to ensure the completeness and accuracy of the census data.

Financial Close and Reporting

The County Auditor and County Treasurer were required to independently prepare a Monthly Financial Statement, which reflected the total receipts and disbursements and the balance for each fund for the month and year to date. An oversight or review process was not in place to ensure the Monthly Financial Statements were complete and accurate. The County did not have effective internal controls to ensure that the information entered into Gateway for the County's AFR was materially correct. The information entered into Gateway included material errors.

Status of Audit Finding:

Not corrected

Response Comments:

Because this audit is being completed in 2024, many things have since changed. Various corrections and adjustments to procedure and methodology were implemented in 2023, and additional ones will be in 2024, as a result of this audit report.



Heather Stevens, Clerk

Chief Deputy
Kari Barenie

La Porte Circuit Court

(219) 326-6808, Ext. 2250

CIRCUIT COURT DIVISION
COURTHOUSE
813 LINCOLNWAY, SUITE 105
LAPORTE, IN 46350-3492
(219) 326-6808
EXT. 2270 & 2259

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-002, FINDINGS 2019-002, AND FINDING 2018-002

Fiscal year in which the finding initially occurred: 2013

Current Audit Period: 2021

Finding Subject: Financial Transactions and Reporting-Clerk of the Circuit Court (Clerk)

Summary of Finding:

1. Cash and Investments: Internal controls were not documented across all bank account reconciliations.
2. Disbursements (2020): No documentation of the internal control process.
3. Financial Close and Reporting: The Clerk was required to prepare a Supplemental Annual Report (SAR) for inclusion in the County's cash basis Annual Financial Report (AFR) submitted in the Indiana Gateway for Government Units financial reporting system, which is the basis for the financial statements. One employee completed the SAR without evidence of an oversight or review process prior to submission to the County Auditor.

Status of Audit Finding:

Partially Corrected

Response Comments:

Controls were still being implemented for cash and investments and financial close and reporting.

Documentation over the internal control process or disbursements was implemented in 2021.



Joie Winski
LaPorte County Treasurer
555 Michigan Ave; Suite 102
LaPorte, IN 46350
219-326-6808 ext 2465
jwinski@laporteco.in.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-003 and FINDING 2019-003

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2021

Finding Subject: Financial Transactions and Reporting – County Treasurer

Summary of Finding:

Internal controls had not been properly designed to ensure reconciliations of the record balances to the depository balances and investment balances were accurate and completeness of the recording of the investment activity. Investments reported were not reconciled to actual investments and the County's Investment Register contained material errors.

There were no internal controls identified over the receipting process to ensure accuracy, timeliness, and completeness.

There was no oversight or review process to ensure the Monthly Financial Statements were complete and accurate.

Status of Audit Finding:

Not Corrected – ongoing, currently working on correcting

Response Comments:

Internal controls are still being implemented. Investment register is corrected and is recorded and reflected in the financial software as of February 2024.



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR

555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-004, FINDING 2019-004, and FINDING 2018-001

Fiscal year in which the finding initially occurred: 2012

Current Audit Period: 2021

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

Summary of Finding:

The County had not established effective internal controls over the federal award information entered into the Indiana Gateway for Governmental Units (Gateway) financial reporting system, which was the source of the County's Schedule of Expenditures of Federal Awards (SEFA). The county did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the SEFA.

Status of Audit Finding:

Not Corrected

Response Comments:

We have new staff in place that uses a worksheet to record the information each year. The report will give a total of all funds reported, so that during a double check the amounts entered can be verified by the total of the ledgers. The current year worksheet is also verified against the previous year's worksheet to make sure all necessary information was carried forward.



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR
555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

CORRECTIVE ACTION PLAN

FINDING 2021-001

Finding Subject: Financial Transactions and Reporting **Summary of Finding:**

Receipts

The County did not have good internal controls in place related to receipts to ensure accurate and timely recording.

Group Health Insurance Disbursements

The County did not have effective controls over group health insurance disbursements to ensure accurate and timely recording.

Payroll Disbursements

The County did not have effective controls over payroll disbursements. Payroll registers approved by the Board did not include detailed information.

Financial Close and Reporting

The County Auditor and County Treasurer were required to independently prepare a Monthly Financial Statement, which reflected the total receipts and disbursements and the balance for each fund for the month and year to date. An oversight or review process was not in place to ensure the Monthly Financial Statements were complete and accurate. The County did not have effective internal controls to ensure that the information entered into Gateway for the County's AFR was materially correct. The County did not have effective controls when completing the Oversight Checklist for the financial statement and associated records to be provided for audit to ensure completeness and accuracy. The approved financial statement file included formula errors which resulted in the combining schedule totals to not agree with the financial statement totals.

Contact Person Responsible for Corrective Action: Timothy Stabosz

Contact Phone Number and Email Address: 219-326-6808 x2226 tstabosz@laporteco.in.gov

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

Receipts

Receipts are now being entered within the week they come in. For department deposits, two emails are sent to request a deposit sheet. If we don't have a response after the second email, the deposit will be placed in unappropriated funds until we hear from the department, allowing the receipts to be done timely. A second person will be reviewing the receipts entered for accuracy; both individuals will sign off showing the review has been completed.

Group Health Insurance Disbursements

Payroll is monitoring the check register from UMR weekly. All checks are entered into the ledger as they are posted in the UMR check register. The entries are verified against the ledger for accuracy. A second person will double check the figures, and both will sign off showing the review has been completed.



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR
555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

Payroll Disbursements

Once payroll has been entered, Payroll will send a distribution list to the departments to have the fund, account, name, hours, and pay double checked by the department. These will need to be signed by the person reviewing and returned to Payroll ASAP.

In addition, Payroll will print a register with full detail to be presented to the Commissioners at each meeting. Commissioners will initial the register showing they were able to review it. Payroll will keep a copy of this paperwork after receiving it back from the Commissioners' office.

Financial Close and Reporting

Form 61 the reconciliation of the Auditor and Treasurer will be completed and signed by both the Auditor's and Treasurer's Offices monthly. The AFR and other reports entered into Gateway will be reviewed by a second person prior to uploading. Both preparer and reviewer will sign/initial to show the double check was completed. This should allow our office to catch any error prior to submission. The same will be done for the Oversight Checklist for the financial statement and associated records to ensure completeness and accuracy.

Anticipated Completion Date: November 2024 for Receipts, Group Health Insurance Disbursements and Payroll Disbursements.

February 2025 for Financial Close and Reporting.



Heather Stevens, Clerk

Chief Deputy
Kari Barenie

La Porte Circuit Court

(219) 326-6808, Ext. 2250

CIRCUIT COURT DIVISION
COURTHOUSE
813 LINCOLNWAY, SUITE 105
LAPORTE, IN 46350-3492
(219) 326-6808
EXT. 2270 & 2259

CORRECTIVE ACTION PLAN

FINDING 2021-002

Finding Subject: Financial Transactions and Reporting Summary of Finding:

Cash and Investments

The monthly reconcilements of the bank and the Clerk's Cash Book were completed by the bookkeeper and reviewed by the Clerk. However, evidence of the oversight or review process was not documented.

Financial Close and Reporting

The Clerk was required to prepare a Supplemental Annual Report (SAR) for inclusion in the County's cash basis Annual Financial Report (AFR) submitted in the Indiana Gateway for Government Units (Gateway) financial reporting system, which is the basis for the financial statements. One employee completed the SAR without evidence of an oversight or review process prior to submission to the County Auditor.

Contact Person Responsible for Corrective Action: Heather Stevens

Contact Phone Number and Email Address: 219-326-6808 ext: 2250, hstevens@laporteco.in.gov

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

Cash and Investments

Monthly reconcilements are prepared in the Michigan City office by the bookkeeper as evidenced by the Excel Sheet used as part of the reconciling and the electronic storage by her user name to the shared drive. Further, we implemented a sign off sheet for three signatures, one being the preparers, one being the Chief Deputy and the third and final signature is that of the Clerk before reports are submitted to the County Auditor.

Financial Close and Reporting

Controls were implemented over the SAR. The SAR is completed by our bookkeeper in our Michigan City office and is reviewed with the Chief Deputy clerk in our La Porte office. Final review and approval is done by the Clerk. Approval is noted as signature on the form.

Anticipated Completion Date: July 2023



Joie Winski
LaPorte County Treasurer
555 Michigan Ave; Suite 102
LaPorte, IN 46350
219-326-6808 ext 2465

CORRECTIVE ACTION PLAN

FINDING 2021-003

Finding Subject: Financial Transactions and Reporting
Summary of Finding:

Bank Reconcilements - Internal controls had not been properly designed or implemented to ensure that reconcilements of the record balances to the depository balances and investment balances were completed at least monthly to ensure the accuracy and completeness of financial transactions including the investment activity. The County did not perform a combined reconcilement.

Receipts - For collections received, receipted, and deposited to the bank, a review process was designed but was not properly implemented. Evidence of the review process was not documented. Furthermore, an oversight or review process was not designed or implemented over the electronic funds transfers (EFT) received from the State of Indiana.

Financial Close and Reporting - The County Auditor and County Treasurer are required to independently prepare a Monthly Financial Statement, which reflects the total receipts and disbursements and the balance for each fund for the month and year to date. An oversight or review process was not in place to ensure the Monthly Financial Statements were complete and accurate. The County Treasurer was required to prepare a Supplemental Annual Report to the Auditor for inclusion in the Annual Financial Report submitted in the Indiana Gateway for Government Units financial reporting system, which is the basis for the financial statement. There were no controls to ensure timely, complete, and accurate reporting.

Contact Person Responsible for Corrective Action: Joie Winski, LaPorte County Treasurer
Contact Phone Number and Email Address: jwinski@laporteco.in.gov 219-326-6808 ext 2465

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

Not Corrected – ongoing, currently working on correcting

Response Comments:

Internal controls are being implemented. Investment register is being corrected and is recorded and reflected in the financial software as of June 30th, 2024.

Bank Reconcilements – Our bank is reconciled through June 30th, 2024.

Receipts - In process of correcting – ongoing; Electronic fund transfers from State Comptroller will be verified by Amy and Ellen on daily basis. Receipts will be reviewed on a daily basis – initiated by Molly, reviewed by Ellen and processed by Amy. All paperwork is kept by Amy and double signatures are required as verification.

Financial Close and Reporting - As soon as reconcilements are current, we will start preparing Monthly financial statements. Steps will be taken to ensure accuracy. Treasurer will supply Form 61 to auditor on a monthly basis after bank recs are completed. Signatures by both auditor and treasurer will be included noting that they are in agreement. The Treasurer will submit a SAR to the County Auditor for 2024.

Anticipated Completion Date:

We hope to be completely reconciled and up to date on or before December 31st, 2024.



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR
555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

CORRECTIVE ACTION PLAN

FINDING 2021-004

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

Summary of Finding:

The County did not properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Contact Person Responsible for Corrective Action: Timothy Stabosz

Contact Phone Number and Email Address: 219-326-6808 x2226 tstabosz@laporteco.in.gov

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

We have a new staff in place that uses a worksheet to record the information each year. The report will give a total of all funds reported, so that during a double check the amounts entered can be verified by the total of the ledgers. The current year worksheet is also verified against the previous year's worksheet to make sure all necessary information was carried forward. Our office also implemented a procedure for this process that allows for signatures and proof of double checks.

Grant files will be maintained with copies of the grant agreement and include any grant requests for reimbursement and any required reports.

Anticipated Completion Date:

February of 2025



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR
555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

CORRECTIVE ACTION PLAN

FINDING 2021-005

Finding Subject: Highway Planning and Construction - Procurement

Summary of Finding: Material Weakness, Modified Opinion

The County had not properly designed or implemented a system of internal controls that would be effective in preventing, or detecting and correcting, noncompliance to ensure that the Local Public Agency (LPA) Selection Review Checklist was properly supported. The lack of internal controls resulted in noncompliance.

For consultant contracting (engineering and design related services) the Local Public Agency (LPA), (LaPorte County) will create and send a Request for Proposal (RFP) to the Indiana Department of Transportation (INDOT), who will review and advertise them. Consultants can then respond to those RFP's by completing and submitting a Letter of Interest (LOI). After all LOI's are received and ranked, the County reports the number of LOI's received on the LPA Selection Review Checklist. The County did not keep or maintain the Letters of Interest as reported to INDOT on the LPA Selection Review Checklist. As a result, the number on Letters of Interest documented on the checklist, provided to INDOT, could not be verified or audited. In addition, we were unable to ensure the minimum number of LOI were received to meet the procurement competition standards.

Contact Person Responsible for Corrective Action: Timothy Stabosz

Contact Phone Number and Email Address: 219-326-6808 x2226 tstabosz@laporteco.in.gov

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

This finding will be corrected by continuing to maintain the Letters of Interest as required.

Anticipated Completion Date:

We will begin keeping all Letters of Interest received on, or after, November 21, 2024.



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR
555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

CORRECTIVE ACTION PLAN

FINDING 2021-006

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

Summary of Finding: Material Weakness, Modified Opinion

An effective internal control system, which would include segregation of duties, was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the procurement and suspension and debarment compliance requirement.

Prior to entering into subawards and covered transactions with Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), SLFRF funds, recipients are required to verify that contractors and subrecipients are not suspended, debarred, or otherwise excluded. Upon inquiring of the County to determine its policies and procedures related to suspension and debarment requirements for the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), SLFRF funds, the County stated procedures were not in place to ensure vendors were not suspended or debarred prior to entering into covered transactions.

The County had not performed procedures to ensure the vendors were not suspended or debarred or otherwise excluded or disqualified from participation in federal assistance programs or activities during the audit period on 100% of the applicable two vendors that were paid with SLFRF Funds.

Contact Person Responsible for Corrective Action: Timothy Stabosz

Contact Phone Number and Email Address: 219-326-6808 x2226 tstabosz@laporteco.in.gov

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

To correct this finding, we will begin doing a search on sam.gov to find out if a vendor has been suspended or disbarred. We will also add language to bid and/or contracts to require vendors to supply proof of being in good standing with the federal government.

Anticipated Completion Date:

The above plan of action will begin on November 21, 2024.



TIMOTHY J. STABOSZ
LA PORTE COUNTY AUDITOR
555 Michigan Avenue, Suite 205
La Porte, IN 46350-3490

CORRECTIVE ACTION PLAN

FINDING 2021-007

Finding Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting

Summary of Finding: Material Weakness, Other Matters

The County did not have an effective internal control system to ensure compliance with the Reporting compliance requirement. Recipients were required to submit a one-time Interim report to the U.S. Department of the Treasury (Treasury). The County submitted the required interim report during the audit period. The County's process for the completion and submission of the Interim Report was that the County Auditor prepared the Interim Report based on the County's records, without a proper oversight or review process in place prior to submission. The Interim Report was determined to be materially misstated. The County understated the December 31, 2019, Base Year Revenues by \$660,302.

Contact Person Responsible for Corrective Action: Timothy Stabosz

Contact Phone Number and Email Address: 219-326-6808 x2226 tstabosz@laporteco.in.gov

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

To correct this finding, we will require one person to complete the report and another to review the report prior to submission. The preparer and reviewer will sign/initial to document the review process.

Anticipated Completion Date:

We will begin requirement a review prior to submission as of November 21, 2024.

OTHER REPORTS

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