

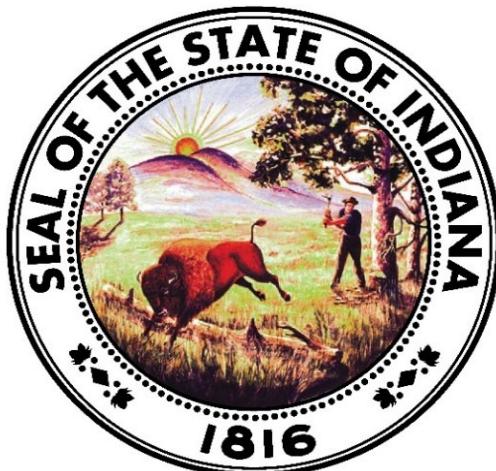
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

SUPPLEMENTAL COMPLIANCE REPORT

OF

BLACKFORD COUNTY, INDIANA

January 1, 2021 to December 31, 2022



FILED
07/22/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Sharon L. Hartley	01-01-21 to 12-31-24
County Treasurer	Dana D. Turner	01-01-21 to 12-31-24
Clerk of the Circuit Court	Kimberly Pitts	01-01-21 to 12-31-24
County Sheriff	Jeffrey C. Sones James Heflin	01-01-21 to 12-31-22 01-01-23 to 12-31-24
County Recorder	Kelli J. Schriver	01-01-21 to 12-31-24
President of the Board of County Commissioners	John A. Lancaster	01-01-21 to 12-31-24
President of the County Council	Daniel E. Borgenheimer Jack D. Beckley	01-01-21 to 12-31-23 01-01-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF BLACKFORD COUNTY, INDIANA

This report is supplemental to the audit report of Blackford County (County), for the period from January 1, 2021 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with the Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

A handwritten signature in blue ink that reads "Beth Kelley".

Beth Kelley, CPA, CFE
Deputy State Examiner

June 19, 2024

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COUNTY AUDITOR
BLACKFORD COUNTY

COUNTY AUDITOR
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The County Auditor certified on the Indiana Gateway for Government Units financial reporting system that the County had adopted internal control standards and appropriate personnel were trained on the internal control standards. However, we were unable to observe documentation ensuring all appropriate personnel received internal control training.

Criteria

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

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

INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING

Condition and Context

The County did not have a proper system of internal controls in place to prevent, or detect and correct, errors in the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Report and the financial statement. The County Auditor uploaded the required information without a documented oversight or review process in place.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

COUNTY AUDITOR
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

A similar comment appeared in prior Report B58913, entitled **CAPITAL ASSETS**.

Condition and Context

The County maintained a detailed listing of capital assets; however, additions were not made timely. Out of nine asset additions tested that were reported as acquired during 2021 and 2022, two of the assets were actually acquired in 2020 but were not posted to the County's detailed asset listing until December 2022.

Additionally, no evidence was provided that the County had conducted a full physical inventory of capital assets at least every two years. The most recent physical inventory was conducted in 2015.

Finally, the cutoff date for the capital asset listing provided was December 5, 2022, 26 days before the end of the audit period.

Criteria

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

ANNUAL FINANCIAL REPORT

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The County had not established effective internal controls over the AFR information entered into Gateway which resulted in the following errors:

Financial Data

- Beginning cash and investments balance at January 1, 2021, was overstated by \$12,675,937.
- Total receipts were overstated by \$14,441,034 and understated by \$400 for calendar years 2021 and 2022, respectively.
- Total disbursements were overstated by \$13,998,173 and understated by \$3,880 for calendar years 2021 and 2022, respectively.
- Ending cash and investments balances at December 31, 2021, and December 31, 2022, were overstated by \$13,118,798 and \$13,122,278, respectively.

COUNTY AUDITOR
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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

Grants

- The Highway Planning and Construction Program was understated by \$36,338 and \$4,451 for calendar years 2021 and 2022, respectively.
- The Coronavirus Relief Fund was understated by \$33,873 for calendar year 2021 and overstated by \$19,825 for calendar year 2022.
- Immunization Cooperative Agreements was understated by \$13,512 and \$75,000 for calendar years 2021 and 2022, respectively.
- The Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) was understated by \$73,105 and \$38,235 for calendar years 2021 and 2022, respectively.
- The Child Support Enforcement was understated by \$67,653 and \$74,246 for calendar years 2021 and 2022, respectively.
- The Opioid STR grant was understated by \$20,424 for calendar year 2021 and overstated by \$30,756 in calendar year 2022.
- Numerous other immaterial errors were noted during the review.

The Schedule of Expenditures of Federal Awards was not presented due to the County not qualifying for a federal audit (Single Audit) for calendar years 2021 and 2022.

Other Information

Leases and Debt

- The ending principal balance of debt at December 31, 2022, was overstated by \$315,000.

Accounts Payables and Accounts Receivable

- Accounts receivable at December 31, 2022, was overstated by \$169,504.

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

COUNTY AUDITOR
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

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

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

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. . . ."

TIMELY RECONCILEMENT OF AUDITOR AND TREASURER RECORDS

A similar comment appeared in prior Report B58913, entitled *AUDITOR RECORDS DO NOT RECONILE WITH THE TREASURER RECORDS*.

Condition and Context

The County did not perform the required reconciliation (County Form 61) between the County Auditor and the County Treasurer records in a timely manner for any month during the audit period. Monthly reconcilements between the County Auditor and the County Treasurer records throughout the audit period were completed in May of 2023.

Criteria

At the close of each calendar month a Monthly Financial Statement, County Form No. 61, shall be prepared, showing the financial transactions for the month and year to date, for each fund and in total.

The county treasurer is also required to independently prepare a Monthly Financial Statement on the same form and the two statements must be reconciled. If any differences exist between the records of the auditor and the treasurer, they must be identified and immediate steps taken to bring the records of the two offices into agreement.

COUNTY AUDITOR
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The statements are prescribed to be placed in a post-binder and shall be carefully preserved as a permanent record.

(Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 7)

COUNTY AUDITOR
BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 24, 2023, with Sharon L. Hartley, County Auditor; Lisa Simmons, Deputy County Auditor; Daniel E. Borgenheimer, President of the County Council; Ryan Goodspeed, County Council member; and Laura Coons, County Commissioner.

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COUNTY TREASURER
BLACKFORD COUNTY

COUNTY TREASURER
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS

TIMELY RECONCILEMENT OF AUDITOR AND TREASURER RECORDS

A similar comment appeared in prior Report B58913, entitled *AUDITOR RECORDS DO NOT RECONILE WITH THE TREASURER RECORDS*.

Condition and Context

The County did not perform the required reconciliation (County Form 61) between the County Auditor and the County Treasurer records in a timely manner for any month during the audit period. Monthly reconcilements between the County Auditor and the County Treasurer records throughout the audit period were completed in May of 2023.

Criteria

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

FINANCIAL TRANSACTIONS AND REPORTING

The same comment also appeared in prior Report B58913, entitled *SUPPLEMENTAL ANNUAL FINANCIAL REPORT*.

Condition and Context

Financial Close and Reporting

The County Treasurer did not have a proper system of internal controls in place to prevent, or detect and correct, errors in the financial information provided to the County Auditor through the Supplemental Annual Report (CAR-1) in either year of the audit period. The report was completed without a documented oversight or review process in place prior to submission to the County Auditor.

Due to the lack of effective internal controls, the Annual Financial Report (AFR) had the following variances relating to After-Settlement Collections reported on the CAR-1:

- Beginning cash and investments balance at January 1, 2021, was overstated by \$12,675,919.

COUNTY TREASURER
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- Receipts were overstated by \$14,441,034 and understated by \$400 for calendar years 2021 and 2022, respectively.
- Disbursements were overstated by \$13,998,173 and understated by \$3,880 for calendar years 2021 and 2022, respectively.
- Ending cash and investment balances at December 31, 2021, and December 31, 2022, were overstated by \$13,118,780 and \$13,122,260, respectively.

Criteria

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

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

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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COUNTY TREASURER
BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2023, with Dana D. Turner, County Treasurer.

The contents of this report were discussed on July 24, 2023, with Sharon L. Hartley, County Auditor; Lisa Simmons, Deputy County Auditor; Daniel E. Borgenheimer, President of the County Council; Ryan Goodspeed, County Council member; and Laura Coons, County Commissioner.

CLERK OF THE CIRCUIT COURT
BLACKFORD COUNTY

CLERK OF THE CIRCUIT COURT
BLACKFORD COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

The Clerk of the Circuit Court's office did not have a proper system of internal controls in place to prevent, or detect and correct, errors in the financial information provided to the County Auditor through the Supplemental Annual Report (CAR-1) in either year of the audit period. The report was completed without a documented oversight or review process in place prior to submission to the County Auditor.

Without a proper system of internal controls in place, material misstatements of the Annual Financial Report relating to the Clerk's Trust and ISETS could remain undetected.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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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. . . ."

CLERK OF THE CIRCUIT COURT
BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 24, 2023, with Kimberly Pitts, Clerk of the Circuit Court; Sharon L. Hartley, County Auditor; Lisa Simmons, Deputy County Auditor; Daniel E. Borgenheimer, President of the County Council; Ryan Goodspeed, County Council member; and Laura Coons, County Commissioner.

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COUNTY SHERIFF
BLACKFORD COUNTY

COUNTY SHERIFF
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS

PERSONAL EXPENSES

Condition and Context

Per the County's policy, Angela Garlow (Garlow) was allowed to be reimbursed travel costs for her travel associated with her position as Administrative Assistant. Vendor history reports obtained from the County showed that Garlow was paid \$2,089.71 for mileage from October 2019 to February 2023.

Invoice Date	Description	Amount
Tuesday, October 15, 2019	Sheriff - 130 miles @ \$.38 per mile	\$ 49.40
Thursday, October 24, 2019	Sheriff - 313 miles @ \$.38 per mile	118.94
Friday, December 27, 2019	Sheriff - Mileage 150 miles @ \$.38 per mile	57.00
Thursday, February 13, 2020	Sheriff - Various Mileage 300 miles @ \$.38 per mile	114.00
Tuesday, July 14, 2020	Sheriff - Mileage 160 miles \$.38 per mile	60.80
Tuesday, July 21, 2020	Sheriff - Mileage 126 miles @ \$.38 per mile	47.88
Friday, October 16, 2020	Sheriff - Various Miles 222 miles @ \$.38 per mile	84.36
Monday, November 9, 2020	Sheriff - Various Miles 222 for \$.38 per mile for Commissary	84.36
Sunday, March 21, 2021	Sheriff - Various Mileage 332 @ \$.38 per mile	126.16
Thursday, May 13, 2021	Sheriff - 188 miles @ \$.38 per mile	71.44
Tuesday, June 1, 2021	Sheriff - Various Miles 233 miles @ \$.38 per mile	88.54
Wednesday, June 23, 2021	Sheriff - 102 miles @ \$.38 per mile to and from Muncie	38.76
Friday, July 16, 2021	Sheriff - Various Mileage 206 miles @ \$.38 per mile for Commissary shopping	78.28
Friday, July 23, 2021	Sheriff - 50 miles @ \$.38 per mile	19.00
Wednesday, August 4, 2021	Sheriff - Various Mileage 208 miles @ \$.38 per mile	79.04
Thursday, September 23, 2021	Sheriff - 331 miles @ \$.38 per mile	125.78
Tuesday, November 2, 2021	Sheriff - Various Miles 270 @ \$.38 per mile	102.60
Monday, January 10, 2022	Sheriff - 212 miles @ \$.38 per mile for Commissary shopping	80.56
Tuesday, March 1, 2022	Sheriff - 156 miles @ \$.38 per mile for Supplies	59.28
Wednesday, March 23, 2022	Sheriff - Various Miles 118 @ \$.38 per mile	44.84
Friday, April 8, 2022	Sheriff - Mileage to and from Fort Wayne for Commissary supplies 106 miles @ \$.38 per mile	40.28
Wednesday, April 27, 2022	Sheriff - 58 miles @ .38 per mile	22.04
Friday, October 28, 2022	Sheriff - 482 miles @ \$.49 per mile for Commissary	236.18
Monday, December 19, 2022	Sheriff - 242 miles @ \$.49 per mile	118.58
Wednesday, January 4, 2023	Sheriff - 153 miles @ \$.49 per mile	74.97
Wednesday, January 18, 2023	Sheriff - 69 miles @ \$.49 per mile	33.81
Wednesday, February 1, 2023	Sheriff - 67 miles @ \$.49 per mile	32.83
 Total		 \$ 2,089.71

The County Sheriff's office used gas cards to purchase fuel for their fleet, which is funded through the County General fund. A gas card was assigned to Garlow. In 2023, County personnel discovered that Garlow used her county gas card to fill up her personal vehicle while also submitting a mileage reimbursement claim, General Form Number 101, to the County Auditor's office. Based upon interviews with officials, Garlow was never given permission to fill up her personal vehicle with her county gas card. As a result of this incident, Garlow was terminated, and her gas card was destroyed.

COUNTY SHERIFF
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Purchase activity reports of Garlow's gas card showed the following 90 fuel purchases made between January 2021 through February 2023, which totaled \$4,398.32. Of those 26 months, 23 months had 3 or more weekly fuel purchases.

Date	Time	Location	Fuel Type	Units	Amount
Sunday, January 10, 2021	11:25	Montpelier, IN	Unl	16.239	\$ 38.31
Thursday, January 21, 2021	15:27	Montpelier, IN	Unl	15.999	36.78
Saturday, January 30, 2021	15:28	Montpelier, IN	Unl	15.330	37.08
Friday, February 5, 2021	12:35	Montpelier, IN	Unl	15.891	38.12
Thursday, February 11, 2021	9:16	Montpelier, IN	Unl	15.640	39.08
Tuesday, March 9, 2021	13:21	Liberty Center, IN	Unl	15.861	42.81
Friday, March 19, 2021	7:45	Montpelier, IN	Unl	16.085	41.80
Thursday, March 25, 2021	17:09	Hartford City, IN	Unl	16.082	42.44
Monday, April 5, 2021	15:25	Montpelier, IN	Unl	15.925	44.10
Monday, April 12, 2021	7:25	Montpelier, IN	Unl	16.444	44.88
Saturday, April 17, 2021	14:06	Bluffton, IN	Unl	15.890	44.00
Tuesday, April 27, 2021	7:21	Montpelier, IN	Unl	16.259	46.48
Monday, May 3, 2021	7:30	Montpelier, IN	Unl	15.025	42.96
Saturday, June 5, 2021	11:11	Montpelier, IN	Unl	15.340	47.54
Sunday, June 13, 2021	14:24	Bluffton, IN	Unl	16.727	47.99
Wednesday, June 23, 2021	15:12	Montpelier, IN	Unl	17.007	53.73
Thursday, July 1, 2021	16:28	Fort Wayne, IN	Eth	15.898	48.31
Wednesday, July 14, 2021	10:02	Hartford City, IN	Unl	16.966	55.46
Thursday, July 22, 2021	17:03	Montpelier, IN	Unl	15.213	49.58
Tuesday, August 3, 2021	8:11	Montpelier, IN	UN+	15.130	54.60
Saturday, August 7, 2021	17:15	Bluffton, IN	UN+	15.044	48.73
Tuesday, August 24, 2021	15:28	Montpelier, IN	UN+	16.468	56.14
Friday, September 3, 2021	7:18	Montpelier, IN	UN+	16.665	59.14
Saturday, September 11, 2021	14:35	Montpelier, IN	UN+	13.427	47.12
Saturday, September 18, 2021	14:47	Marion, IN	UN+	13.090	45.28
Tuesday, September 28, 2021	16:53	Bluffton, IN	UN+	13.435	43.25
Friday, October 8, 2021	7:21	Montpelier, IN	Unl	12.634	41.68
Saturday, October 16, 2021	12:49	Marion, IN	Unl	13.942	46.55
Monday, October 25, 2021	11:06	Liberty Center, IN	Unl	12.357	39.78
Tuesday, November 2, 2021	7:21	Montpelier, IN	Unl	14.086	46.47
Saturday, November 6, 2021	13:32	Montpelier, IN	UN+	11.852	45.14
Monday, November 15, 2021	7:25	Montpelier, IN	Unl	14.168	49.01
Wednesday, November 24, 2021	7:54	Montpelier, IN	Unl	13.903	46.28
Thursday, December 2, 2021	15:31	Montpelier, IN	Unl	13.072	43.12
Saturday, December 11, 2021	16:38	Fort Wayne, IN	Eth	13.382	40.00
Friday, December 17, 2021	14:13	Fort Wayne, IN	Eth	12.070	<u>35.59</u>
<i>Total 2021 fuel purchases</i>					<u>1,629.33</u>

**COUNTY SHERIFF
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)**

Date	Time	Location	Fuel Type	Units	Amount
Wednesday, January 5, 2022	7:32	Montpelier, IN	Unl	13.059	42.69
Friday, January 21, 2022	7:12	Montpelier, IN	Unl	13.601	43.51
Thursday, January 27, 2022	12:36	Markle, IN	Unl	13.725	44.32
Wednesday, February 2, 2022	13:23	Bluffton, IN	Unl	10.661	35.92
Wednesday, February 9, 2022	7:15	Montpelier, IN	Unl	13.051	43.84
Thursday, February 17, 2022	15:27	Montpelier, IN	Unl	13.875	47.16
Tuesday, February 22, 2022	17:36	Bluffton, IN	Unl	12.395	40.52
Thursday, March 3, 2022	16:13	Bluffton, IN	Unl	13.814	52.48
Friday, March 11, 2022	13:34	Montpelier, IN	Unl	13.355	56.88
Saturday, March 19, 2022	11:18	Bluffton, IN	UN+	13.874	58.12
Tuesday, March 29, 2022	10:13	Hartford City, IN	Unl	13.442	58.59
Monday, April 4, 2022	18:55	Montpelier, IN	UN+	14.153	62.40
Monday, April 11, 2022	15:23	Montpelier, IN	UN+	12.605	54.95
Tuesday, April 19, 2022	12:55	Montpelier, IN	UN+	13.916	60.66
Tuesday, April 26, 2022	11:18	Hartford City, IN	UN+	13.582	58.12
Wednesday, May 4, 2022	11:06	Montpelier, IN	Unl	14.163	58.76
Tuesday, May 10, 2022	13:42	Bluffton, IN	UN+	13.172	60.71
Monday, May 16, 2022	7:17	Montpelier, IN	UN+	13.528	63.70
Monday, May 23, 2022	11:43	Montpelier, IN	Unl	13.190	60.00
Monday, May 30, 2022	16:17	Montpelier, IN	UN+	12.578	60.99
Sunday, June 5, 2022	14:57	Montpelier, IN	Unl	13.196	63.99
Saturday, June 11, 2022	11:30	Bluffton, IN	Unl	13.866	72.09
Saturday, June 18, 2022	14:44	Bluffton, IN	UN+	11.112	59.33
Wednesday, June 22, 2022	9:41	Montpelier, IN	Unl	14.056	70.97
Wednesday, June 29, 2022	10:33	Hartford City, IN	UN+	14.094	73.27
Sunday, July 3, 2022	13:26	Bluffton, IN	UN+	8.628	42.70
Sunday, July 10, 2022	12:24	Montpelier, IN	UN+	9.397	46.98
Tuesday, July 19, 2022	14:08	Gas City, IN	UN+	14.056	70.27
Monday, July 25, 2022	12:48	Hartford City, IN	UN+	13.723	61.74
Saturday, July 30, 2022	10:51	Montpelier, IN	Unl	11.687	48.49
Friday, August 5, 2022	9:32	Hartford City, IN	Eth	10.772	42.86
Thursday, August 11, 2022	12:00	Edinburgh, IN	Unl	6.940	25.00
Tuesday, August 30, 2022	8:21	Montpelier, IN	Unl	14.058	55.52
Tuesday, September 6, 2022	15:39	Montpelier, IN	Unl	13.952	55.79
Friday, September 16, 2022	7:19	Montpelier, IN	Unl	14.141	54.43
Monday, September 26, 2022	16:15	Montpelier, IN	Unl	13.067	52.91
Monday, October 31, 2022	7:34	Montpelier, IN	Unl	13.938	53.65
Sunday, November 6, 2022	11:19	Bluffton, IN	Unl	13.511	57.00
Saturday, November 12, 2022	9:54	Montpelier, IN	Unl	13.986	58.03
Saturday, November 19, 2022	11:53	Marion, IN	Unl	12.610	50.43
Sunday, November 27, 2022	11:39	Montpelier, IN	Unl	13.477	50.66
Monday, December 5, 2022	7:15	Montpelier, IN	Unl	14.279	50.11
Monday, December 12, 2022	14:47	Hartford City, IN	UN+	14.045	50.55

COUNTY SHERIFF
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Date	Time	Location	Fuel Type	Units	Amount
Saturday, December 17, 2022	10:34	Montpelier, IN	Unl	12.938	40.09
Thursday, December 22, 2022	7:49	Montpelier, IN	Unl	12.192	35.95
Thursday, December 29, 2022	10:42	Fort Wayne, IN	Unl	12.840	38.51
<i>Total 2022 fuel purchases</i>					<u>2,445.64</u>
Thursday, January 5, 2023	15:48	Montpelier, IN	Unl	13.619	44.25
Tuesday, January 10, 2023	15:45	Montpelier, IN	UN+	9.33	30.31
Saturday, January 14, 2023	13:10	Bluffton, IN	UN+	10.997	38.37
Tuesday, January 31, 2023	8:07	Montpelier, IN	Unl	14.254	46.88
Tuesday, February 7, 2023	12:51	Montpelier, IN	Unl	13.242	42.10
Sunday, February 12, 2023	15:01	Montpelier, IN	Unl	13.015	40.46
Saturday, February 18, 2023	11:11	Montpelier, IN	Unl	12.576	41.74
Friday, February 24, 2023	14:15	Marion, IN	Unl	11.966	39.24
<i>Total 2023 fuel purchases</i>					<u>323.35</u>
<i>Total fuel purchases charged and paid</i>					<u>\$ 4,398.32</u>

Criteria

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Garlow reimbursed the County in the amount of \$4,398.32 for fuel purchases made on her gas card during her time as Administrative Assistant. (See Summary of Charges, page 32)

FAILURE TO REPORT MISAPPROPRIATION OF FUNDS

Condition and Context

The County was aware that public funds had been misappropriated by an employee of the County Sheriff's office. The County Prosecuting Attorney was properly notified; however, the County failed to make a written report to the Indiana State Board of Accounts.

Criteria

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

"A public officer who has actual knowledge of or reasonable cause to believe that there has been a misappropriation of public funds or assets of the public office, including:

COUNTY SHERIFF
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (1) information obtained as a result of a police report;
- (2) an internal audit finding; or
- (3) another source indicating that a misappropriation has occurred;

shall immediately send written notice of the misappropriation to the state board of accounts and the prosecuting attorney serving in the area governed by the political subdivision."

INTERNAL CONTROLS

A similar comment appeared in prior Report B58913, entitled *INTERNAL CONTROLS*.

Condition and Context

The County Sheriff's office did not have a proper system of internal controls over the reconciling of the financial transactions of the Inmate Trust and Jail Commissary Funds as well as the use of gas cards as noted the above comment entitled *PERSONAL EXPENSES*.

Cash and Investments

The County Sheriff had not designed or implemented internal controls, including segregation of duties, to ensure the accuracy of the monthly bank reconciliations. There was no evidence of an oversight, review, or approval process to ensure the accuracy of the reconciliations.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

COUNTY SHERIFF
BLACKFORD COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

INSURANCE COVERAGE

The County obtained employee theft insurance coverage as follows:

Term	Coverage
02-01-21 to 02-01-22	\$ 2,000,000
02-01-22 to 02-01-23	500,000
02-01-23 to 02-01-24	500,000

COUNTY SHERIFF
BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2024, with James Heflin, County Sheriff; Deb Perry, County Sheriff Administrative Assistant; and Laura Coons, County Commissioner.

COUNTY COUNCIL
BLACKFORD COUNTY

COUNTY COUNCIL
BLACKFORD COUNTY
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

We were unable to observe documentation ensuring that all appropriate personnel were properly trained on internal control standards as required by statute throughout the audit period.

Criteria

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

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

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

COUNTY COUNCIL
BLACKFORD COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 24, 2023, with Sharon L. Hartley, County Auditor; Lisa Simmons, Deputy County Auditor; Daniel E. Borgenheimer, President of the County Council; Ryan Goodspeed, County Council member; and Laura Coons, County Commissioner.

BLACKFORD COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Angela Garlow, former Sheriff's Office Administrative Assistant: Personal Expenses, pages 22 through 25	<u>\$ 4,398.32</u>	<u>\$ 4,398.32</u>	<u>\$ -</u>
Totals	<u><u>\$ 4,398.32</u></u>	<u><u>\$ 4,398.32</u></u>	<u><u>\$ -</u></u>

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.