

**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, 2022 to December 31, 2022



FILED
12/30/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
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 <i>Government Auditing Standards</i>	3-4
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	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	11-13
Notes to Schedule of Expenditures of Federal Awards.....	14
Schedule of Findings and Questioned Costs.....	15-31
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	34-41
Corrective Action Plan	42-49
Other Reports.....	50

SCHEDULE OF OFFICIALS

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



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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, 2022, 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 2022-001, 2022-002, 2022-003, and 2022-004, 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 2022-001, 2022-003, and 2022-004.

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

INDIANA STATE BOARD OF ACCOUNTS

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 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 and Unmodified 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, 2022. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2022.

Unmodified Opinion on Child Support Enforcement

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Support Enforcement program for the year ended December 31, 2022.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

*Matters Giving Rise to Qualified Opinion on COVID-19 -
Coronavirus State and Local Fiscal Recovery Funds*

As described in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in items 2022-005 and 2022-006 for Reporting and Procurement and Suspension and Debarment, respectively. Compliance with such requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Other Matters

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 2022-005 and 2022-006, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the County, as of and for the year ended December 31, 2022, 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, 2022

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			
Juvenile Services Center Food Program			FY 2022	\$ -	\$ 9,129
Total - Child Nutrition Cluster				-	9,129
Child and Adult Care Food Program	Indiana Department of Education	10.558			
Juvenile Services Center Food Program			FY 2022	-	64
Total - Department of Agriculture				-	9,193
<u>Department of Justice</u>					
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
Prosecutor Victim Advocate Grant			FY 2022	-	212,947
Crime Victim Compensation	Indiana Criminal Justice Institute	16.576			
Prosecutor Victim Advocate Grant			FY 2022	-	2,630
Comprehensive Opioid, Stimulant, and other Substances Use Program	Direct Grant	16.838			
Federal Opioid Abuse Grant			FY 2022	-	90,627
Total - Department of Justice				-	306,204
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Lofgren Rd Intersection Grant			DES #1702829	-	64,962
Lincoln Trail Extension Grant			DES #1801831	-	102,086
Otis Road Bridge			DES #1401027	-	13,322
Marquette Greenway Grant			DES #1592335	-	130,138
Economic Development Corridor Grant			DES #1592338	-	3,505
Sign Safety Upgrade Grant			DES # 1902197	-	23,272
Countywide Bridge Grant 20			DES # 1902029	-	2,550
Bridge #97 Grant			DES # 1902815	-	35,040
Union Mills Sidewalk Imp Grant			DES # 1902818	-	21,508
Bridge #104 Grant			DES # 2003036	-	30,080
Bridge #512 Grant			DES # 2101149	-	27,041
Total - Highway Planning and Construction Cluster				-	453,504
Highway Safety Cluster					
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600			
State and Community Highway Safety			69A37521300004020IN0	-	8,920
Total - Highway Safety Cluster				-	8,920

LA PORTE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2022

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
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Minimum Penalties for Repeat Offenders for Driving While Intoxicated	Indiana Department of Transportation	20.608	69A37521300001640INA	-	19,535
Interagency Hazardous Materials Public Sector Training and Planning Grants Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703	693JK31940014HMPEP	-	13,138
Total - Department of Transportation				-	495,097
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		21.027			
Coronavirus State and Local Fiscal Recovery Funds	Direct Grant		Regular FY 2022	-	1,201,826
Coronavirus State and Local Fiscal Recovery Funds	Direct Grant		Revenue Loss FY 2022	-	4,647,878
Coronavirus State and Local Fiscal Recovery Funds	Indiana Department of Health		400ARPHLTHISSCH	-	2,826
Total - Department of the Treasury				-	5,852,530
<u>Environmental Protection Agency</u>					
Beach Monitoring and Notification Program Implementation Grants Indiana Lake Michigan Beach Grant	Indiana Department of Environmental Management	66.472	FY 2022	-	9,383
Total - Environmental Protection Agency				-	9,383
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness Emergency Preparedness Grant	Indiana Department of Health	93.069	FY 2022	-	15,304
Immunization Cooperative Agreements May COVID Mask	Indiana Department of Health	93.268	FY 2022	-	121,334
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Workforce Development Co - Ag	Indiana Department of Health	93.354	6 NU50CK000503	-	123,867
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response			1 NU90TP922179	-	29,025
Total - COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				-	152,892
Child Support Enforcement Pros 4D General Fund Pros Title IV-D Incentive Clerk Title IV-D Incentive Title IV-D Incentive	Indiana Department of Child Services	93.563	FY 2022 FY 2022 FY 2022 FY 2022	- - - -	776,654 107,520 32,283 423
Total - Child Support Enforcement				-	916,880

LA PORTE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2022

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
State Court Improvement Program CIP Grant 2022 CIP Grant 2022	Indiana Department of Health	93.586	2101INSCIP 2101INSCIC	- -	2,722 <u>71,872</u>
Total - State Court Improvement Program				-	<u>74,594</u>
Foster Care Title IV-E Foster Care Title IV-E	Indiana Public Defender Commission	93.658	2301INFOST	-	<u>3,988</u>
COVID-19 - Elder Abuse Prevention Interventions Program Elder Abuse Prevention Interventions Program	Indiana Family and Social Services Administration	93.747	2101INAPC5	-	<u>16,921</u>
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs Motherhood and Infant Health Initiative Programs Motherhood and Infant Health Initiative Programs	Indiana Department of Health	93.946	1 NU38DP000007 5 NU38DP000007	- -	38 <u>1,142</u>
Total - Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs				-	<u>1,180</u>
Total - Department of Health and Human Services				-	<u>1,303,093</u>
<u>Department of Homeland Security</u>					
Boating Safety Financial Assistance Marine Patrol Grant	Indiana Department of Natural Resources	97.012	FY 2022	-	<u>2,785</u>
Emergency Management Performance Grants Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042	EMC-2021-EP-00004	-	<u>50,546</u>
Total - Department of Homeland Security				-	<u>53,331</u>
Total federal awards expended				<u>\$ -</u>	<u>\$ 8,028,831</u>

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, 2022. 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	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Qualified
93.563	Child Support Enforcement	Unmodified

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 2022-001

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 2021-001.

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 for the following:

- The December 2022 bank reconciliation included \$5,930,151 of deposits or electronic funds transfers (EFT) received within the year that were not timely receipted and posted. Of that amount, \$730,201 were distributions from the State of Indiana, \$509,506 were interest and other charges for services received, and \$4,690,444 of tax sale surplus funds collected.

The financial statement was not adjusted for \$1,239,707 for the untimely posting of the state distributions and interest and other charges for services received. The financial statement was adjusted for \$4,690,444 for the untimely posting of the tax sale surplus funds collected.

- 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 beginning cash and investment balances and the understatement of receipts for the LIT Certified Shares Dist fund by \$1,071,256 and the LIT Economic Development Dist fund by \$964,131. The financial statement was not adjusted for this item.

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 2022 bank reconciliation included \$2,785,061 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 \$2,785,061. 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) was 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 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 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 to ensure the financial statement and combining schedule articulate.

Due to the lack of internal controls, as noted under *Receipts*, reconciling items were noted which resulted in the Tax Sale Surplus fund receipts to be understated by \$4,690,444. An adjustment was 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.

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

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

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

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

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 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.

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

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.

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 2022-002

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 2021-002.

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 Government 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.

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:

"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. . . ."

Cause

The system of internal controls over the review of the Clerk's cash and investments and the 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 2022-003

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 2021-003.

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 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, 2022, were completed as of March 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, 2022, reconcilements provided. The year-end reconcilements included reconciling items without supporting documentation and transactions that cleared the bank but had not yet posted. This resulted in the understatement of receipts and disbursements by \$6,089,815 and \$2,810,401, respectively. The financial statement receipts were partially adjusted for these items.

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.

Due to the lack of internal controls over cash and investments, receipts, and financial reporting, the following 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:

- Receipt reconciling items, as noted under *Bank Reconcilements - Cash and Investments*, were noted for the Tax Sale Surplus fund, which resulted in receipts being understated by \$4,690,444.

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

- The County Treasurer was required to prepare a Supplemental Annual Report (SAR) for inclusion in the Annual Financial Report (AFR) 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 2022 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 \$3,834,014, \$4,192,950, \$3,834,014, and \$4,192,950, respectively.

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."

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)

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

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 2022 County Treasurer's Cash Book caused continued delays in the preparation of the monthly bank reconciliements 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 2022-004

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-004.

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.

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

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 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds grant was omitted, which resulted in the understatement of expenditures by \$5,852,530.
- The Child Support Enforcement grant expenditures were understated by \$770,657.
- There were 14 other grants that had individual errors that resulted in total understatements of expenditures of \$180,797.
- There were 8 grants that had individual errors that resulted in total overstatements of expenditures of \$786,955.
- 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:

"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)

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 section § 200.510 . . ."

2 CFR 200.510(b) states:

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

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

- (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.

Section III - Federal Award Findings and Questioned Costs

FINDING 2022-005

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: Department of the Treasury
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Assistance Listings Number: 21.027
Federal Award Numbers and Years (or Other Identifying Numbers): Regular FY 2022, Revenue Loss FY 2022
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Modified Opinion

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

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 Reporting compliance requirement.

Recipients are required to quarterly or annually submit Project and Expenditure (P&E) Reports to the U.S. Department of the Treasury (Treasury). The reporting periods, as well as the respective due dates, are based upon type of recipient and its population, as well as the recipient's allocation amount. Information to be reported includes projects funded, expenditures, and contracts for the appropriate reporting period.

The County was classified as a metropolitan county with a population below 250,000 residents that received an allocation of more than \$10 million in COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funding. As such, the initial P&E Report, covering three calendar quarters from March 3, 2021 to December 31, 2021, was required to be submitted to the Treasury by January 31, 2022. The subsequent quarterly reports were to cover one calendar quarter and must be submitted to the Treasury by the last day of the month following the end of the period covered.

The County submitted four quarterly P&E Reports during the audit period. The County's process for the completion and submission of the P&E Reports was that the County Auditor prepared each P&E Report based on the County's Financial Ledgers without a proper oversight or review process in place prior to submission.

All four quarterly reports that were due during the audit period were not properly supported by the County's records and contained the following errors:

- The 2021 Quarter 4 P&E Report period expenditures were overstated by \$159,541.
- The 2022 Quarter 1 P&E Report period expenditures were understated by \$15,375.
- The 2022 Quarter 2 P&E Report period expenditures were understated by \$21,109.
- The 2022 Quarter 3 P&E Report period expenditures were overstated by \$216,216.

The lack of internal controls and noncompliance occurred 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). . . ."

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

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.

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.

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

FINDING 2022-006

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 2022, Revenue
Loss FY 2022

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-006.

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.

Prior to entering into subawards and covered transactions with COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF), 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 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 all of the four vendors tested that were paid with SLFRF funds which totaled \$1,085,986.

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:

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

(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 related to suspension and debarment were in place and followed.

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 are equal to or in excess of \$25,000 were not verified to not be 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.



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 2021-001, 2020-001, and 2019-001

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2022

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

Receipts

The County did not have internal controls over receipts. Due to the lack of Internal controls, receipt errors on the financial statements remained undetected by the County.

Group Health Insurance Disbursements

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. Withdrawals that were processed by the County's third-party administrator for group health insurance that were not timely posted. This caused the ending cash and investment balance to be overstated and the Group Health Ins Fund disbursements to be understated.

Payroll Disbursements

Internal controls had not been designed or implemented over payroll disbursements to ensure the accuracy, classification, presentation, and completeness of the County Auditor's Funds Ledger. Detail was not provided to the Board of County Commissioners to review and sign. Only a Summary Total report, which lacked detailed information, was provided.

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.

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 2021-002, 2020-002, 2019-002, AND 2018-002

Fiscal year in which the finding initially occurred: 2013

Current Audit Period: 2022

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

Summary of Finding:

1. Cash and Investments: Internal controls were not documented for the Odyssey bank reconcilements.
2. 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:

Not Corrected

Response Comments:

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



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 2021-003, 2020-003, and 2019-003

Fiscal year in which the finding initially occurred: 2019
Current Audit Period: 2022

Finding Subject: Financial Transactions and Reporting – County Treasurer
Summary of Finding:

Bank Reconcilements

Internal controls had not been properly designed to ensure reconcilements of the record balances to the depository balances and investment balances were accurate and complete. The County did not prepare a combined bank reconciliation to reconcile in total to the ledger and Cashbook. The County Treasurer's Cash Book financial transactions were not timely or completely posted. The year-end reconcilements including reconciling items without supporting documentation and transactions that cleared the bank but not yet posted. This resulted in an understatement of receipts and disbursements.

Receipts

Effective internal controls were not properly implemented over collections received, receipted, and deposited to the bank. 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

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

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 2021-004, 2020-004, 2019-004, and 2018-001

Fiscal year in which the finding initially occurred: 2012

Current Audit Period: 2022

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-005

Fiscal year in which the finding initially occurred: 2021
Current Audit Period: 2022

Finding Subject: Highway Planning and Construction - Procurement
Summary of Finding:

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

Status of Audit Finding:

Not Corrected

Response Comments:

Due to the timing of the 2020 Audit, we were just made aware of internal control issues early in 2024 and were not able to correct issues concerning Procurement as of 2022.



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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-006

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: 2022

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

Summary of Finding:

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. 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.

Status of Audit Finding:

Not Corrected

Response Comments:

Due to the timing of the 2020 Audit, we were just made aware of internal control issues early in 2024 and were not able to correct issues concerning Suspension and Debarment as of 2022.



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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-007

Fiscal year in which the finding initially occurred: 2021

Current Audit Period: 2022

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

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.

The Interim Report was determined to be materially misstated.

Status of Audit Finding:

Not Corrected

Response Comments:

Due to the timing of the 2021 Audit, we were just made aware of internal control issues early in 2024 and were not able to correct issues concerning Reporting as of 2022.



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

CORRECTIVE ACTION PLAN

FINDING 2022-001

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 2022-002

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 2022-003

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 reconciliation.

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:

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 2022-004

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 2022-005

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

Summary of Finding: Material Weakness, Modified Opinion

The County did not have an effective internal control system to ensure compliance with the Reporting compliance requirement. Recipients are required to submit quarterly or annually Project and Expenditure (P&E) Reports to the Department of the Treasury (Treasury). The County submitted four quarterly P&E Reports during the audit period. The County's process for the completion and submission of the P&E Reports was that the County Auditor prepared each P&E Report based on the County's Financial Ledgers, without a proper oversight or review process in place prior to submission. All four quarterly reports that were due during the audit period were not properly supported by the County's records

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.

Anticipated Completion Date:

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



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

CORRECTIVE ACTION PLAN

FINDING 2022-006

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 all of the four vendors tested, 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.

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/>.