

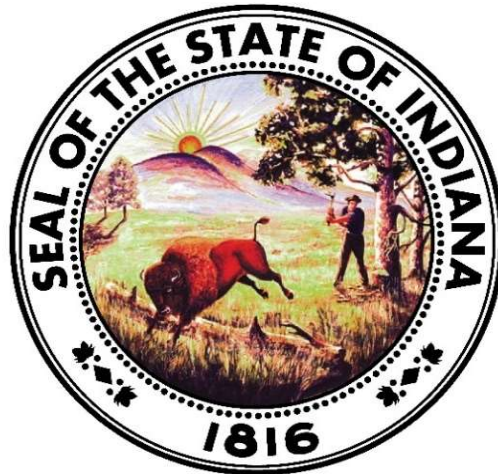
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

SUPPLEMENTAL COMPLIANCE REPORT

OF

WHITLEY COUNTY, INDIANA

January 1, 2023 to December 31, 2023



**FILED**  
08/22/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tiffany Deakins	01-01-23 to 12-31-24
County Treasurer	Kay Gatton	01-01-23 to 12-31-24
Clerk of the Circuit Court	Cindy Doolittle	01-01-23 to 12-31-24
County Sheriff	Jason Spencer	01-01-23 to 12-31-24
County Recorder	Rosemary Brown	01-01-23 to 12-31-24
President of the Board of County Commissioners	Chad Banks	01-01-23 to 12-31-24
President of the County Council	James Argerbright	01-01-23 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WHITLEY COUNTY, INDIANA

This report is supplemental to the audit report of Whitley County (County), for the period from January 1, 2023 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with the Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

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

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

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

Beth Kelley, CPA, CFE  
Deputy State Examiner

August 6, 2024

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COUNTY AUDITOR  
WHITLEY COUNTY

COUNTY AUDITOR  
WHITLEY COUNTY  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT**

A similar comment also appeared in prior Report B61524.

*Condition and Context*

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

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

The County did not properly review the federal grant information prepared and submitted in Gateway. Although the County Auditor prepared and entered the federal award information into Gateway, and the Deputy County Auditor 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 included the following errors:

- The Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs expenditures were overstated by \$695,525.
- The Formula Grants for Rural Areas and Tribal Transit Program expenditures were understated by \$434,668.
- Three additional federal grants had individually immaterial errors or omissions that resulted in misstatements of expenditures of \$48,781, in total.
- Other errors included incorrect program names and pass-through entities.

COUNTY AUDITOR  
WHITLEY COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

*Criteria*

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

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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

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

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

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

COUNTY AUDITOR  
WHITLEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 6, 2024, with Tiffany Deakins, County Auditor; Tamela Hamilton-Tincher, Deputy County Auditor; Robert Schuman, Vice President of the Board of County Commissioners; James Argerbright, President of the County Council; and Joan Western, County Council member.