

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JENNINGS COUNTY, INDIANA

January 1, 2023 to December 31, 2023



**FILED**  
09/26/2024



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
County Auditor:	
Audit Result and Comment:	
Annual Financial Report.....	6-7
Exit Conference .....	8

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Sarah Abel	01-01-23 to 12-31-24
County Treasurer	Tina Brison	01-01-23 to 12-31-24
Clerk of the Circuit Court	Amy Thompson	01-01-23 to 12-31-24
County Sheriff	William K. Freeman	01-01-23 to 12-31-24
County Recorder	Mary Dorsett Kilgore	01-01-23 to 12-31-24
President of the Board of County Commissioners	Matt Sporleder	01-01-23 to 12-31-24
President of the County Council	Tina M. Ellis	01-01-23 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

This report is supplemental to the audit report of Jennings 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 Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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

Beth Kelley, CPA, CFE  
Deputy State Examiner

September 16, 2024

(This page intentionally left blank.)

COUNTY AUDITOR  
JENNINGS COUNTY

COUNTY AUDITOR  
JENNINGS COUNTY  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT**

A similar comment also appeared in prior Report B61669.

*Condition and Context*

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

*Financial Data*

The complete receipt and disbursement activity of two funds were not reported. One fund included negative receipt activity and the another included negative disbursement activity. The County's financial software AFR reporting conversion does not recognize negative receipt and disbursement activity, and, as a result, these entries were not included in the financial activity reported in Gateway. The receipts were overstated by \$220,807, disbursements were overstated by \$27, and the ending cash and investment balance was overstated by \$220,780.

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

*Grant Information*

- The Child Support Enforcement program expenditures were understated by \$242,844.
- Several additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$118,042, in total.
- Other errors included incorrect or omitted Assistance Listings Numbers, program names, pass-through entities, and identifying numbers.

Audit adjustments were proposed, accepted by the County, and made to the Schedule of Expenditures of Federal Awards presented in the Federal Compliance Audit Report of the County.

COUNTY AUDITOR  
JENNINGS COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

*Leases and Debt*

Although the County reported leases and debt on the AFR, the submission included immaterial variances in ending principal balance and principal due within one year for four debts reported.

Audit adjustments were proposed, accepted by the County, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report of the County.

*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  
JENNINGS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 16, 2024, with Sarah Abel, County Auditor; Matt Sporleder, President of the Board of County Commissioners; and Tina M. Ellis, President of the County Council.