

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CASS COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

09/16/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Cheryl Alcorn	01-01-23 to 12-31-24
County Treasurer	Daphne Slusher	01-01-23 to 12-31-24
Clerk of the Circuit Court	Destry Richey	01-01-23 to 12-31-24
County Sheriff	Edward Schroder	01-01-23 to 12-31-24
County Recorder	Beth Liming	01-01-23 to 12-31-24
President of the Board of County Commissioners	Ruth Baker	01-01-23 to 12-31-24
President of the County Council	Tracy Williamson David Redweik	01-01-23 to 12-31-23 01-01-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CASS COUNTY, INDIANA

This report is supplemental to the audit report of Cass 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/.

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.

Beth Kelley, CPA, CFE
Deputy State Examiner

August 28, 2024

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COUNTY AUDITOR
CASS COUNTY

COUNTY AUDITOR
CASS COUNTY
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

A similar comment also appears in prior Report B61570, entitled *ANNUAL FINANCIAL REPORT*.

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:

Grants

- The Formula Grants for Rural Areas and Tribal Transit Program overstated expenditures by \$71,288. In addition, the passed through to subrecipient amount was overstated by \$71,288.
- The Child Support Services grant understated expenditures by \$79,034.
- Additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$57,818, in total.

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

Schedule of Payables and Receivables

The County did not report any accounts payable or receivable information in the AFR.

COUNTY AUDITOR
CASS 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
CASS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2024, with Cheryl Alcorn, County Auditor; Ruth Baker, President of the Board of County Commissioners; Michelle Crain, First Deputy County Auditor; Mike Deitrich, County Commissioner; David Redweik, President of the County Council; and Michael Stajduhar, Vice President of the Board of County Commissioners.