

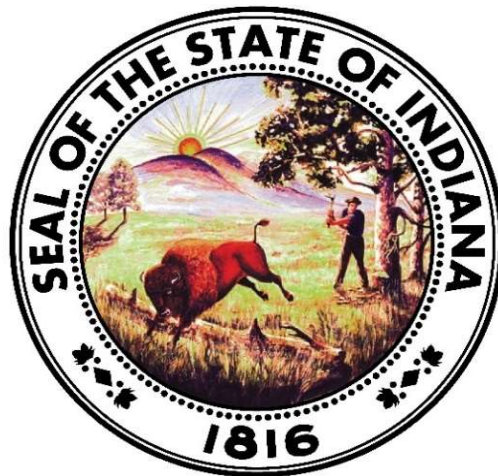
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FEDERAL COMPLIANCE AUDIT REPORT

OF

SHELBY COUNTY, INDIANA

January 1, 2023 to December 31, 2023



**FILED**

08/16/2024



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Amy L. Glackman	01-01-23 to 12-31-24
County Treasurer	Janet E. Stucker	01-01-23 to 12-31-24
Clerk of the Circuit Court	Jill Taylor	01-01-23 to 12-31-24
County Sheriff	Louie Koch	01-01-23 to 12-31-24
County Recorder	Jessica Pile	01-01-23 to 12-31-24
President of the Board of County Commissioners	Don Parker	01-01-23 to 12-31-24
President of the County Council	Tony Titus	01-01-23 to 12-31-24



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 SHELBY 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 Shelby County (County), for the year ended December 31, 2023, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated July 16, 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 2023-001, 2023-002, and 2023-003, 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 2023-001 and 2023-003.

***Shelby 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

July 16, 2024



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 SHELBY COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

***Qualified and Unmodified Opinions***

We have audited Shelby 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, 2023. 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 possible effects of the matter 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, 2023.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 each of its other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2023.

**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)

*Matter 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, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the County with 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in item 2023-005 for Procurement and Suspension and Debarment. Consequently, we were unable to determine whether the County complied with those 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**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2023-004. Our opinion on each major federal program is not modified with respect to these 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 2023-004, 2023-005, and 2023-006, 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, 2023, and the related notes to the financial statement. We issued our report thereon dated July 16, 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

July 16, 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.

SHELBY COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2023

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
<b>Department of Justice</b>					
Crime Victim Assistance Victim Assistance 16.575	Indiana Criminal Justice Insitute	16.575	VOCA-2022-00204	\$ -	48,224
Violence Against Women Formula Grants 16.588 STOP Violence	Indiana Criminal Justice Institute	16.588	STOP-2022-00051	-	70,874
Total - Department of Justice				-	119,098
<b>Department of Transportation</b>					
Highway Planning and Construction 20.205 Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 1902080 L210082 Bridge	-	41,440
Total - Highway Planning and Construction				-	41,440
Formula Grants for Rural Areas and Tribal Transit Program Rural Area Formula Rural Area Formula COVID-19 - Rural Area Formula	Indiana Department of Transportation	20.509	IN-2021-031-00 IN-2022-014-00 IN-2021-032-00	- - -	54,788 91,533 36,520
Total - Formula Grants for Rural Areas and Tribal Transit Program				-	182,841
<b>Federal Transit Cluster</b>					
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs Bus Facilities	Indiana Department of Transportation	20.526	IN2021-031-00	-	16,550
Total - Federal Transit Cluster				-	16,550
<b>Highway Safety Cluster</b>					
State and Community Highway Safety 20.600 BCC	Indiana Criminal Justice Institute	20.600	CHIRP-2023-00002	-	32,741
National Priority Safety Programs National Priority Safety Programs	Indiana Department of Transportation	20.616	032NHTS40582021	-	8,466
Total - Highway Safety Cluster				-	41,207
Interagency Hazardous Materials Public Sector Training and Planning Grants Emergency Planning	Indiana Department of Transportation	20.703	FY 2023	-	7,825
Total - Department of Transportation				-	289,863
<b>Department of the Treasury</b>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds 21.027 ARPA	Direct Grant	21.027	FY 2022	-	223,499
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Indiana State Department of Health	21.027			

SHELBY COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2023

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
21.027 ARPA			FY 2023	-	10,708
Total - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				-	234,207
Total - Department of the Treasury				-	234,207
<u>Department of Health and Human Services</u>					
Immunization Cooperative Agreements	Indiana State Department of Health	93.268			
COVID-19 - Immunization and Vaccines for Children			FY 2023	-	93,933
Immunization and Vaccines for Children			FY 2023	-	82,900
Total - Immunization Cooperative Agreements				-	176,833
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Workforce Development CoAG	Indiana State Department of Health	93.354			
			FY 2023	-	29,752
Child Support Services	Indiana Department of Child Services	93.563			
93.563 Prosecutor IV-D			FY2023	-	194,466
93.563 Prosecutor IV-D Incentive			FY2023	-	15,301
93.563 Clerks IV-D Incentive			FY2023	-	21,769
93.563 IV-D Indirect Costs			FY2023	-	108,548
93.563 Courts IV-D			FY2023	-	32,508
93.563 Clerks IV-D			FY2023	-	26,372
Total - Child Support Services				-	398,964
Foster Care Title IV-E	State Public Defender	93.658			
Foster Care			FY 2023	-	6,452
Opioid STR	Indiana State Department of Health	93.788			
Indiana State Opioid Response			FY 2023	-	22,174
Total - Department of Health and Human Services				-	634,175
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
97.042 Emergency Management Performance Grant			EMC-2022-EP-0005	-	44,578
COVID-19 - Emergency Management Performance Grants			EMC-2021-EP-00013	-	39,947
Total - Emergency Management Performance Grants				-	84,525
Total - Department of Homeland Security				-	84,525
Total federal awards expended				\$ -	\$ 1,361,868

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

SHELBY 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, 2023. 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.

SHELBY 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 Services	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2023-001**

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 2022-001.

*Condition and Context*

The County is required to file reports not later than 60 days after the close of each fiscal year. Reports are to be filed electronically as prescribed.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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), was not effective.

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 or correct errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit included the following errors:

- The Formula Grants for Rural Areas and Tribal Transit Program expenditures were understated by \$182,841.
- The Immunization Cooperative Agreements expenditures were understated by \$176,833.
- The Elder Abuse Prevention Interventions Program are not federal monies and should not be included, thus expenditures were overstated by \$160,972.
- The Highway Planning and Construction expenditures were understated by \$41,440.
- Additional grants had individually immaterial errors that resulted in misstatements of grant expenditures of \$173,031 in total.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

*Criteria*

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 § 200.510. . . ."

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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.
- (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."

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. . . .

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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. . . ."

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for County Auditors of Indiana, Chapter 1)

*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 operated 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.

**FINDING 2023-002**

Subject: Financial Transactions and Reporting - Clerk of the Circuit Court  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-002.

*Condition and Context*

The Clerk of the Circuit Court (Clerk) had not implemented a proper system of internal controls, which would include segregation of duties, related to the Clerk's cash and investments Trust account. The Clerk performed the bank reconciliations monthly with no evidence of oversight or review to ensure the reconciliations were complete and accurate.

*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:

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

"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*

Management of the County had not established a proper system of internal controls over the Clerk's cash and investments Trust account reconcilements.

*Effect*

The failure to establish a system of internal controls could enable misstatements or irregularities to remain undetected between the Clerk's Trust account and the bank.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

*Auditor's Response*

The Clerk designed a system of internal controls over cash and investments which included the Bookkeeper reviewing the bank reconcilements after they were performed by the Clerk. However, this internal control was not documented; therefore, we were unable to determine if the internal control was implemented.

We reaffirm our finding and will review the status of the finding during our next audit.

**FINDING 2023-003**

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Condition and Context*

The County is required to file reports not later than 60 days after the close of each fiscal year. Reports are to be filed electronically as prescribed.

The County filed its reports as prescribed; however, the internal control over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's Annual Financial Report, was not effective and did not detect and allow correction of errors prior to submission.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Due to the lack of effective internal controls, the financial information entered into Gateway was inaccurate and not reflective of the financial activity of the County. Receipts and the ending cash balance were both understated by \$1,805,650 due to interest not being posted.

*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. . . ."

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for County Auditors of Indiana, Chapter 1)

*Cause*

Management of the County had not established an effective system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective system of internal controls enabled a material misstatement to remain undetected.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2023-004**

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 Number and Year (or Other Identifying Number): FY 2022  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

*Condition and Context*

Recipients are required to submit quarterly or annual 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 county with a population below 250,000 residents that received an allocation of less than \$10 million in State and Local Fiscal Recovery Funds (SLFRF). As such, the initial P&E report, covering the period from March 3, 2021 to March 31, 2022, was required to be submitted to the Treasury by April 30, 2022. The subsequent annual reports are to cover one calendar year and must be submitted to the Treasury by April 30 each year.

Upon inquiry of the County's policies and procedures related to the reporting requirements, the County stated that the County Auditor and a financial consultant prepared the P&E report based on reports from the County's financial system. The County Auditor then submitted the report. There was no evidence of an oversight or review process prior to submission.

The County submitted the P&E report by April 30, 2023, as required; however, the report was not supported by the County's records. The annual report submitted in April 2023 did not include an expenditure of \$64,999 as the County Auditor used the incorrect period of January 1, 2022 to December 31, 2022, to complete the report. The omitted expenditure was incurred on March 23, 2023.

The lack of internal controls and noncompliance were systemic issues throughout the audit period for the FY 2022 grant.

*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). . . ."

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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, . . ."

Coronavirus State and Local Fiscal Recover 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. . . ."

*Cause*

A proper system of internal controls which would include segregation of key functions was not designed by management of the County. The lack of review or approval process by someone other than the preparers allowed the error in the P&E report to go undetected. The error was a result of expenditures from the incorrect reporting period being used to complete the report.

*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. As such, the P&E report submitted understated expenditures.

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. In addition, not meeting the SLFRF reporting requirements increases the likelihood that the public will not have access to transparent and accurate information regarding expenditures of federal awards.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that management of the County design and implement a proper system of internal controls, including policies and procedures to ensure that the County abstracts the correct reporting period, to provide the Treasury with complete and accurate information for the P&E reports.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2023-005***

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery  
Funds - Procurement and 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 Number and Year (or Other Identifying Number): 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 2022-004.

*Condition and Context*

An effective internal control system was not in place at the County to ensure compliance with the requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Procurement - Policy*

The County had not established a purchasing policy that would reflect applicable state laws and regulations, including procedures to avoid acquisition of unnecessary or duplicative items; procedures to ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured; and did not maintain written standards of conduct covering conflicts of interest and governing actions of its employees engaged in the selection, award, and administration of contracts.

*Suspension and Debarment*

Prior to entering into subawards and covered transactions with State and Local Fiscal Recovery Funds (SLFRF) award funds, recipients are required to verify that such 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 (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification from that person or adding a clause or condition to the covered transaction with that person.

The County did not have internal controls in place to ensure compliance with the suspension and debarment compliance requirement. Upon inquiry of the County's policies and procedures related to suspension and debarment requirements, the County stated that they did not have policies or procedures in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded or disqualified from participating in federal assistance programs or activities.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Two covered transactions for goods or services that equaled or exceeded \$25,000 that were paid from SLFRF funds during the audit period were identified. Each transaction was examined to determine whether the County verified the suspension and debarment status of either vendor prior to payment. The two covered transactions, totaling \$223,499, did not include the appropriate provisions in the contracts nor did the County require a certification or check the EPLS to ensure the entity was not suspended or debarred prior to making payment.

The lack of internal controls and noncompliance were systemic issues throughout the audit period for the FY 2022 grant.

*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). . . ."

2 CFR 200.318(a) states:

"The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327."

2 CFR 200.214 states:

"Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities."

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 intend to 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."

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

A proper system of internal controls was not designed by management of the County. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the County's management of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

*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 and subrecipients to whom payments equal to or in excess of \$25,000 were not verified to be not suspended, debarred, or otherwise excluded. Any program funds the County used to pay vendors that have been suspended or debarred would be unallowable, and the funding agency could potentially recover them.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that management of the County establish a proper system of internal controls and develop policies and procedures to ensure contractors and subrecipients, as appropriate, are not suspended, debarred, or otherwise excluded prior to entering into any contracts or subawards. Additionally, we recommended the County establish documented procurement procedures consistent with state and local laws for the acquisition of property or services required under a federal award or subaward.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2023-006**

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance

Federal Agency: Department of the Treasury

Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Assistance Listings Number: 21.027

Federal Award Number and Year (or Other Identifying Number): FY 2022

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance

Audit Finding: Material Weakness

*Repeat Finding*

This is a similar repeat finding from the immediately prior audit report. The prior audit finding number was 2022-003.

SHELBY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

Prior to receipt of State and Local Fiscal Recovery Funds (SLFRF), all eligible entities were required to execute a Financial Assistance Agreement (Agreement), which included the Award Terms and Conditions that recipients must comply with carrying out the objectives of their award. Per the Agreement, the County was responsible for the effective administration of the federal award, as well as the application of sound management practices and administration of the federal funds in a manner consistent with the program objectives and the terms and conditions of the award.

Recipients may use SLFRF funds for any eligible expenses subject to the restrictions set forth in sections 602 and 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021. The SLFRF program provides substantial flexibility for each recipient to meet local needs within four separate eligible use categories. Recipients may use SLFRF funds to:

- Respond to the COVID-19 public health emergency and its negative economic impacts;
- Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of eligible employers that have eligible workers who are performing essential work;
- Provide government services, to the extent COVID-19 caused a reduction in revenues collected in the most recent full fiscal year of the recipient; and
- Make necessary investments in water, sewer, or broadband infrastructure.

Pursuant to the Agreement, the period of performance for the award began on the date the funds were disbursed to the County and ends on December 31, 2026. Recipients may only use funds to cover costs incurred during the period that began on March 3, 2021, and ends on December 31, 2024. Recipients must liquidate all obligations incurred by December 31, 2024, under the award no later than December 31, 2026, which is the end of the period of performance.

A single employee received all invoices for financial obligations made from the SLFRF award. The employee prepared and reviewed the claims to ensure all expenditures were for allowable activities, met the cost objectives, and were within the period of performance prior to issuing payment from the SLFRF fund. The SLFRF claims were then included with the regular claims docket for the County Council's review and subsequent approval. However, the docket did not include sufficient detail nor was other documentation provided to the County Council in order for them to complete an appropriate level of review to determine if the expenses related to the SLFRF award were for allowable activities, met the cost objectives, and were within the period of performance.

The lack of internal controls was a systemic issue throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

SHELBY 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). . . ."

*Cause*

A proper system of internal controls over the SLFRF expenditures was not designed by management of the County, which would include segregation of key functions, to ensure SLFRF funds were being used appropriately. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the County's management of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

*Effect*

Without the proper implementation of an effectively designed system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. 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 design and implement a proper system of internal controls including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place prior to payment of funds from the SLFRF award.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2023

***FINDING 2021-001 and 2022-001***

**Fiscal year in which the finding initially occurred: 2020**

**Current Audit Period: January 1, 2023 to December 31, 2023**

**Finding Subject: Preparation of the SEFA**

**Summary of Finding:**

*Grants reported on the SEFA were incorrect amounts due to ineffective controls.*

**Status of Audit Finding:**

*Not corrected.*

**Response Comments:**

In 2023 we have signed with Amplifund to start tracking our grants and all of the expenditures. This program is supposed to help with all reports. We are currently working on getting everything set up and should be up and running live by July 2024

*Amy L. Glackman*

*Jill Lacy*  
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2022-002***

**Fiscal year in which the finding initially occurred: 2022**

**Current Audit Period: January 1, 2023 to December 31, 2023**

**Finding Subject: Financial Transactions and Reporting – Clerk of the Circuit Court**  
**Summary of Finding:**

The Clerk performed monthly bank reconciliations, without a documented oversight or review process to ensure that cash and investment balances in the ledger were accurately reconciled to the bank account balances.

**Status of Audit Finding:**

*Partially corrected.*

**Response Comments:**

During the audit for the fiscal year 2022, I was only advised to have the bookkeeper start signing off on the month end for the trust account since it was stated that the internal controls were lacking over cash and investments which is listed on the prescribed SBOA form that is used to balance the trust account. Nothing was ever stated that there were issues with internal controls regarding the IV-D bank reconciliation which is generated by ISETS. If this had been addressed at that time, we would have implemented changes in our procedures. I do not believe this should be considered as a deficiency in the internal control system. The accounts for the Clerk's Office are in balance every month. Any adjustments that are made during the month are always documented in case any discrepancies occur. Daily deposits are made by the bookkeeper and reviewed by the Clerk. To appease SBOA moving forward, the bookkeeper will start signing off on the trust and IV-D bank reconciliations for month end and the Clerk will continue to sign off on the daily deposit reports to maximize our internal controls with complete transparency.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2023

**FINDING 2022-003**

**Fiscal year in which the finding initially occurred: 2022**

**Current Audit Period: January 1, 2023 to December 31, 2023**

**Finding Subject: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance**

**Summary of Finding:**

A single employee received all invoices for financial obligations made from the SLFRF award. The employee prepared and reviewed the claims to ensure all expenditures were for allowable activities, allowable costs and were within the period of performance prior to issuing payment from the SLFRF fund.

The SLFRF claims were then included with the regular claims docket for the County Council's review and subsequent approval. However, the docket did not include sufficient detail nor was other documentation provided to the County Council in order for them to complete an appropriate level of review to determine if the expenses related to the SLFRF award were for allowable activities, allowable costs, or within the period of performance.

**Status of Audit Finding:**

*Not corrected.*

**Response Comments:**

The Auditor's Office will supply the County Council with copies of all invoices for approval, before paying the claim.

*Amy L. Glackman*



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2023

**FINDING 2022-004**

**Fiscal year in which the finding initially occurred: 2022**

**Current Audit Period: January 1, 2023 to December 31, 2023**

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

**Summary of Finding:**

Policies and procedures were not in place to verify that contractors were neither suspended nor debarred, or otherwise excluded or disqualified from participating in federal assistance programs or activities.

**Status of Audit Finding:**

*Not corrected.*

**Response Comments:**

I have been shown how to check for Suspension and Debarment so this will be taken care of for the year 2024.

*Amy L. Glackman*



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

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CORRECTIVE ACTION PLAN

***FINDING 2023-001***

Finding Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Summary of Finding: SEFA amounts were not correctly reported

Contact Person Responsible for Corrective Action: Amy L. Glackman  
Contact Phone Number: 317-392-6310

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Control procedures were put into place during the audit period tested, but we are still ironing out the proper entry steps and the amounts that are supposed to be entered. I, the Auditor, will enter the information into the Annual Report and have the Deputy check all my numbers before submitting. She will then initial off on the report.

Anticipated Completion Date: March 2025

*Amy L. Glackman*  
Shelby County Auditor

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CORRECTIVE ACTION PLAN

***FINDING 2023-002***

**Finding Subject: Financial Transactions and Reporting  
Summary of Finding:**

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-0002.

**Contact Person Responsible for Corrective Action: Jill Lacy  
Contact Phone Number and Email Address: 317-392-6320, jtaylor@co.shelby.in.us**

**Views of Responsible Officials:**

We disagree with the finding.

**Explanation and Reasons for Disagreement:**

During the audit for the fiscal year 2022, I was only advised to have the bookkeeper start signing off the month end for the trust account since it was stated that the internal controls were lacking over cash and investments which is listed on the prescribed SBOA form that is used to balance the trust account. Nothing was ever stated that there were issues with the internal controls regarding the IV-D bank reconciliation which is generated by ISETS. If this had been addressed at that time, we would have implemented changes in our procedures. I do not believe this should be considered as a repeat finding or a deficiency in the internal control system.

**Description of Corrective Action Plan:**

As of May 2024, the bookkeeper signs off on the trust and IV-D bank reconciliations for month end that are performed by the Clerk and the Clerk will continue to sign off on the daily deposit reports performed by the bookkeeper to maximize our internal controls with complete transparency.

**Anticipated Completion Date:**

Changes are in place as of May 2024.



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SHELBY COUNTY  
AUDITOR

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***FINDING 2023-003***

Finding Subject: Financial Transactions and Reporting  
Summary of Finding: Interest receipts were not posted.

Contact Person Responsible for Corrective Action: Amy L. Glackman  
Contact Phone Number: 317-392-6310

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Control procedures will be put into place effective immediately. The Auditor will have the Deputy Auditor notify me if interest isn't given to the Auditor's Office every month.

Anticipated Completion Date: August 2024

*Amy L. Glackman*  
Shelby County Auditor



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

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**FINDING 2023-04**

Finding Subject: COVID-19 Coronavirus State and Local Fiscal Recovery Funds – Reporting  
Summary of Finding: Reports were incorrectly completed, excluded amounts for the report period.

Contact Person Responsible for Corrective Action: Amy L. Glackman  
Contact Phone Number: 317-392-6310

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Control procedures will be put into place effective immediately. The Auditor will have the Deputy Auditor start signing off on all reports to verify the dates are correct for the reporting period.

Anticipated Completion Date: August 30, 2024

*Amy L. Glackman*  
Shelby County Auditor



AMY L. GLACKMAN  
SHELBY COUNTY  
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**FINDING 2023-05**

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

Summary of Finding: No procurement policy is in place and vendors were not confirmed to not be suspended or debarred.

Contact Person Responsible for Corrective Action: Amy L. Glackman  
Contact Phone Number: 317-392-6310

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Control procedures will be put into place effective immediately. The Auditor will start checking all vendors paid from grants for suspension, debarred or excluded from being able to enter into contracts. Additionally, a procurement policy will be put into place.

Anticipated Completion Date: August 30, 2024

*Amy L. Glackman*  
Shelby County Auditor



AMY L. GLACKMAN  
SHELBY COUNTY  
AUDITOR

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**FINDING 2023-06**

Finding Subject: Child Support Enforcement - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Period of Performance  
Summary of Finding: No documented oversight

Contact Person Responsible for Corrective Action: Amy L. Glackman  
Contact Phone Number: 317-392-6310

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Control procedures will be put into place effective immediately. The Auditor will meet with every department that has state grants and make sure that all invoices are double check for proper expenditures and have both employees sign off on the claim.

Anticipated Completion Date: August 30, 2024

*Amy L. Glackman*  
Shelby County Auditor

## 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/>.