

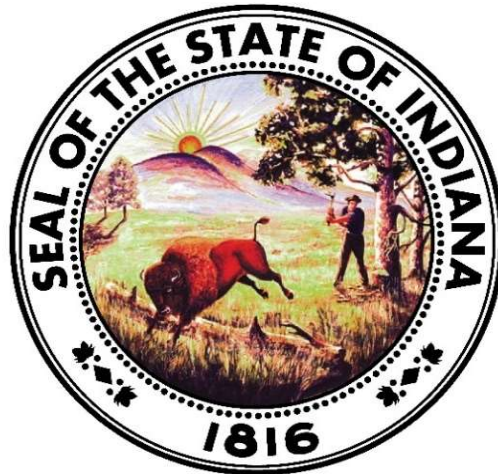
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FEDERAL COMPLIANCE AUDIT REPORT

OF

RIPLEY COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

08/13/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Amy Copeland	01-01-23 to 12-31-24
County Treasurer	Lisa Vestal	01-01-23 to 12-31-24
Clerk of the Circuit Court	Elizabeth Baumgartner	01-01-23 to 12-31-24
County Sheriff	Rob Bradley	01-01-23 to 12-31-24
County Recorder	MaryAnn McCoy	01-01-23 to 12-31-24
President of the Board of County Commissioners	Mark A. Horstman	01-01-23 to 12-31-24
President of the County Council	Peggy A. Ehlers Ronald J. Decker	01-01-23 to 12-31-23 01-01-24 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 RIPLEY 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 Ripley 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 THE 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 RIPLEY COUNTY, INDIANA

Report on Compliance for the Major Federal Program

Qualified Opinion

We have audited Ripley 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 its major federal program for the year ended December 31, 2023. The County's major federal program is 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 Opinion* 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.

Basis for Qualified Opinion

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.

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, the County did not comply with requirements regarding 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in item 2023-001 for Procurement and Suspension and Debarment. Compliance with such requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

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

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.

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 2023-002. Our opinion on the major federal program is not modified with respect to these matters.

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

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 2023-001 and 2023-002, 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 THE 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.

RIPLEY 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
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii IHDA Grant	Indiana Housing and Community Development Authority	14.228	HD-019-002	\$ -	\$ 79,120
Total - Department of Housing and Urban Development				-	79,120
<u>Department of Justice</u>					
Crime Victim Assistance Ripley County Prosecutor Victims Services	Indiana Criminal Justice Institute	16.575	VOCA-2022-00041	-	108,303
Violence Against Women Formula Grants Ripley County STOP Deputy Prosecutor	Indiana Criminal Justice Institute	16.588	STOP-2022-00021	-	65,916
Total - Department of Justice				-	174,219
<u>Department of Transportation</u>					
Highway Planning and Construction Bridge Inspection	Indiana Department of Transportation	20.205	DES#2101056	-	98,009
Total - Department of Transportation				-	98,009
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus Relief Fund COVID-19 Community Testing	Indiana State Department of Health	21.019	45993	-	47,045
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds Coronavirus State & Local	Direct Grant	21.027	SLFRP2971	-	2,459,833
Total - Department of the Treasury				-	2,506,878
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness Bioterrorism Grant	Indiana State Department of Health	93.069	NU90TP922052	-	49,849
Immunization Cooperative Agreements Immunization and Vaccines for Children	Indiana State Department of Health	93.268	NH23IP922631	-	33,434
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID/Vaccine Clinic/Health Department	Indiana State Department of Health	93.323	NU50CK000503	-	10,815

RIPLEY 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
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response School COVID-19 Co Ag Cooperative Agreement	Indiana State Department of Health	93.354	NU90TP922179 NU90TP922179	- -	78,043 1,000
Total - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				-	79,043
Child Support Services Clerk Expenditures Prosecutor Expenditures Indirect Cost Title IV-D Incentive Prosecutor 4 D Clerk IV-D	Indiana Department of Child Services	93.563	2023 2023 2023 2023 2023 2023	- - - - - -	15,394 93,327 90,435 11,438 9,317 6,258
Total - Child Support Services				-	226,169
Foster Care Title IV-E Foster Care Title IV-E	Indiana Department of Child Services	93.658	2023	-	3,517
Opioid STR IN Supreme Court - B	Indiana Supreme Court	93.788	23-5JC89-C69-4	-	57,523
Maternal and Child Health Services Block Grant to the States Ripley County Safe Sleep Program	Indiana State Department of Health	93.994	B04MC45212	-	6,975
Total - Department of Health and Human Services				-	467,325
<u>Department of Homeland Security</u> Emergency Management Performance Grants Emergency Management Performance Grant	Indiana Department of Homeland Security	97.042	EMC-2022-EP-00005	-	25,721
Total - Department of Homeland Security				-	25,721
Total federal awards expended				\$ -	\$ 3,351,272

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

RIPLEY 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.

RIPLEY 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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
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 Program and type of auditor's report issued on compliance for it:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Qualified

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-001

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 Number and Year (or Other Identifying Number): SLFRP2971
 Compliance Requirement: Procurement and Suspension and Debarment
 Audit Findings: Material Weakness, Modified Opinion

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Repeat Finding

This is a repeat finding from the prior audit report. The prior audit finding number was 2022-001.

Condition and Context

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 beneficiaries 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.

Upon inquiry of the County to review the 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, the County divulged that it had none. A population of eight covered transactions, totaling \$2,425,309, that equaled or exceeded \$25,000 paid from SLFRF funds during the audit period was identified. For each of the eight transactions, the County did not verify the suspension and debarment status prior to payment due to the County not having any policies or procedures in place to verify that beneficiaries were neither suspended nor debarred, or otherwise excluded or disqualified from participating in federal assistance programs or activities.

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:

- (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 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."

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The County had not designed or implemented policies and procedures to verify that beneficiaries were not suspended or debarred or otherwise excluded from participating in federal programs prior to entering into covered transactions using SLFRF funds.

Effect

The County cannot ensure that contractors paid with federal funds are eligible to participate in federal programs. 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 the funds.

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 beneficiaries that are paid \$25,000 or more, all or in part with federal funds, are not suspended, debarred, or otherwise excluded prior to entering into any contracts.

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: 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): SLFRP2971
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition and Context

Recipients are required to submit quarterly or annually 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 was allocated less than \$10 million in State and Local Fiscal Recovery Funds funding. As such, the P&E report, covering the period April 1, 2022 to March 31, 2023, was required to be submitted to the Treasury by April 30, 2023. The subsequent annual reports are to cover one year from April 1 to March 31 and must be submitted to the Treasury by April 30 of each year.

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County submitted the P&E report by April 30, 2023, as required; however, a single employee prepared and submitted the P&E report without a review or oversight process in place to prevent, or detect and correct, errors. As a result, the report included projects with current period obligations and cumulative obligations totaling \$3,319,955 that had not yet been obligated by the end of the reporting period.

The lack of internal controls and noncompliance was a systemic issue 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). . . ."

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 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. . . ."

Cause

A proper system of internal controls, including policies and procedures, was not designed or implemented by management of the County to prevent and detect errors on the P&E report prior to submission.

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. As such, the County did not accurately report current period obligations and cumulative obligations when filing the P&E report for the period April 1, 2022 to March 31, 2023.

Noncompliance with the provisions of federal regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the County.

RIPLEY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 of federal reports are taking place. We also recommended the development of policies and procedures to ensure the County provides the Treasury with complete and accurate information for the P&E report.

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.

Ripley County Auditor
Amy Copeland – Auditor
102 West 1st North Street, PO Box 235
Versailles, IN 47042
Ph: 812-689-6311 Fax: 812-689-3006

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 1/1/23 to 12/31/23

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

Summary of Finding:

The County's purchasing policy did not reflect applicable state laws and regulations. In addition, the policy did not include procedures to avoid acquisition of unnecessary or duplicative items, or 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.

The County did not verify the suspension and debarment status prior to payment due to the County not having any policies or procedures in place to verify that contractors and subrecipients were neither suspended nor debarred, or otherwise excluded or disqualified from participating in federal assistance programs or activities.

It was recommended that the County establish internal controls to ensure compliance with the procurement and suspension and debarment requirements.

Status of Audit Finding: Not corrected

Response Comments:

The Ripley County Auditor, Amy Copeland, did not follow through with the attorney on this. I will make sure as the auditor that this gets done within the next 3 months. Ripley County will have a Procurement Policy in place as soon as possible. Ripley County will also be writing a Suspension and Debarment Policy for any checks written over \$25,000.00 to any subrecipient or contracts. The new policies will address procedures for procurement and suspension and debarment to ensure there is a review and approval process in place to ensure compliance.

Ripley County Auditor
Amy Copeland – Auditor
102 West 1st North Street, PO Box 235
Versailles, IN 47042
Ph: 812-689-6311 Fax: 812-689-3006

CORRECTIVE ACTION PLAN

FINDING 2023-001

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

Summary of Finding:

The County did not have procedures in place for verifying that an entity with which is planned to enter into a covered transaction was not suspended, debarred, or otherwise excluded. The County did not verify suspension and debarment status prior to payment for all eight covered transactions totaling \$2,425,309. It was recommended that the County establish a proper system of internal controls and develop policies and procedures to ensure beneficiaries that are paid \$25,000 or more, all or in part with federal funds, are not suspended, debarred, or otherwise excluded prior to entering into any contracts or subawards.

Contact Person Responsible for Corrective Action: Amy Copeland

Contact Phone Number and Email Address: acopeland@ripleycounty.com; 812-689-6311

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The county attorney and I, Amy Copeland, Auditor, are working on a suspension and debarment policy for the county. We have asked other counties for their policy to make sure we are doing everything correct and putting everything in it we need. This was supposed to be done last year and somehow didn't get done.

Anticipated Completion Date: December 31, 2024

FINDING 2023-002

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

Summary of Finding:

The County did not have procedures in place to prevent, or detect and correct, errors on Project and Expenditure (P&E) reports submitted to the U.S. Department of the Treasury. The report submitted during the audit period included projects with current period obligations and cumulative obligations totaling \$3,319,955 that had not yet been obligated by the end of the reporting period. It was 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 of federal reports are taking place and to ensure the County provides the Treasury with complete and accurate information for the P&E report.

Contact Person Responsible for Corrective Action: Amy Copeland

Contact Phone Number and Email Address: acopeland@ripleycounty.com; 812-689-6311

Ripley County Auditor
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Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

I, Amy Copeland, Auditor, plan to have the county attorney sit with me when I fill this report out from now on. I will also have one of my employees look over it before it is submitted.

Anticipated Completion Date: April 30, 2025

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/>.