

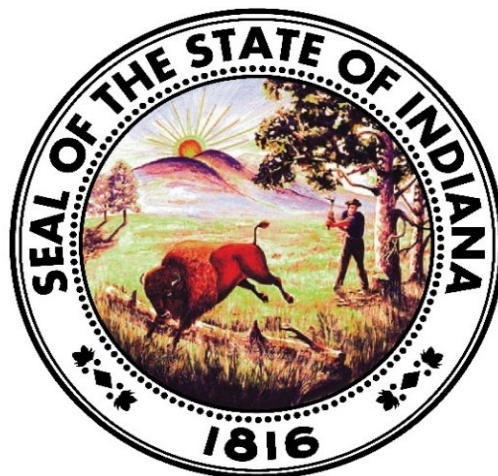
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

GRANT COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

09/23/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Angela Jarvis	01-01-23 to 12-31-24
County Treasurer	Tiffany N. Griffith (Vacant) April Legare	01-01-23 to 06-14-24 06-15-24 to 06-17-24 06-18-24 to 12-31-24
Clerk of the Circuit Court	Pamela K. Harris	01-01-23 to 12-31-24
County Sheriff	Delmiro Garcia	01-01-23 to 12-31-24
County Recorder	Kathy Foy	01-01-23 to 12-31-24
President of the Board of County Commissioners	Mark Bardsley Ron Stewart	01-01-23 to 12-31-23 01-01-24 to 12-31-24
President of the County Council	Shane Middlesworth	01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF GRANT COUNTY, INDIANA

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

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

September 11, 2024

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COUNTY TREASURER
GRANT COUNTY

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

A similar comment also appeared in prior Report B57441, entitled *INTERNAL CONTROLS OVER CASH AND RECEIPTS*, and prior Reports B60253 and B61672, entitled *INTERNAL CONTROLS OVER CASH*.

Condition and Context

The County Treasurer did not have adequate internal controls in place over cash and investments, disbursements, and for financial close and reporting.

Cash and Investments - Bank Reconcilements

A review process was in place for the bank reconcilements; however, it was not effective. Bank reconcilements were performed monthly but contained numerous errors, and the reconcilements did not reconcile to the County Auditor's Fund Ledger.

Disbursements

Disbursements were recorded without a review or approval process to prevent, or detect and correct, errors.

Financial Close and Reporting

The County Treasurer did not have adequate internal controls in place to ensure the accuracy of information reported in the Supplemental Annual Financial Report (CAR-1). The CAR-1 was compiled and provided to the County Auditor without a documented oversight or review process in place to ensure the accuracy of the information. The CAR-1 contained errors which were not detected.

The County Treasurer is required to complete the CAR-1 and provide it to the County Auditor for inclusion in the County's financial statements. The CAR-1 was compiled and provided to the County Auditor without a documented oversight or review process in place to ensure the accuracy of the information.

The CAR-1 was compiled and provided to the County Auditor without a documented oversight or review process in place to ensure the accuracy of the information. Due to the lack of internal controls, the disbursements reported on the CAR-1 from the County Treasurer's Cash Book were understated, and the ending cash and investment balance was overstated by \$264,602.

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:

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(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. . . ."

BANK ACCOUNT RECONCILIATIONS

A similar comment also appeared in prior Report B55876, entitled *BANK ACCOUNT RECONCILIATIONS AND MONTHLY FINANCIAL REPORTS*, and prior Reports B57441, B60253, and B61672, entitled *BANK ACCOUNT RECONCILIATIONS*.

Condition and Context

Depository reconciliations of the fund balances to the bank account balances were attempted but weren't considered complete for any month during the audit period. The reconciliations were completed without a review or approval process to prevent or detect and correct errors and, as such, each monthly reconciliation contained uncorrected identified and unidentified reconciling items.

On December 31, 2023, the difference between the adjusted bank balance and the County Auditor's Fund Ledger was a cash necessary to balance in the amount of \$69,308 and consisted of the following:

- \$(87,094) - 15 reconciling items were unverifiable, or the resolution noted on the bank reconciliation was unreasonable.
- \$16,606 - 2 reconciling items were presented in the outstanding check list and included on the reconciliation as a deduction from the bank balance.
- \$(1,712) - 2 reconciling items were presented in the outstanding check list and included on the reconciliation as an addition to the bank balance.
- \$1,475 - 2 reconciling items were verifiable.
- \$1,389 - 1 reconciling item is a cumulative total of payments from a court case judgement due to the County Treasurer's office posted in error.
- \$28 - 7 reconciling items were immaterial.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

COUNTY TREASURER
GRANT COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

SUPPLEMENTAL ANNUAL FINANCIAL REPORT

Condition and Context

The County Treasurer is required to complete the Supplemental Annual Financial Report (SAFR) and provide it to the County Auditor for inclusion in the County's Annual Financial Report. The SAFR was compiled by the County Treasurer's office and provided to the County Auditor without a documented oversight or review process in place to ensure the accuracy of the information. The disbursements reported on the SAFR were understated, and the ending cash and investment balance was overstated by \$264,602.

An adjustment was proposed, accepted by management, and made to the financial statement and the Combining Schedule of Receipts, Disbursements, and Cash and Investments - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the County.

Criteria

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

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

April Legare
Grant County Treasurer
Grant County Complex
401 South Adams Street, Suite 229
Marion, IN 46953

E-mail: alegare@grantcounty.in.gov

OFFICIAL RESPONSE

Date: September 17, 2024

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Official Response to Audit - 2023

Please accept this correspondence as my official response to the Audit Results and Comments included in the audit for the year ending December 31, 2023

As the newly appointed Treasurer, I concur with the Audit Results and Comments included in this report. I fully accept the responsibilities of this office. I have identified most of the weaknesses and I am adamant in finding resolutions within our procedures that will be effective and efficient going forward.

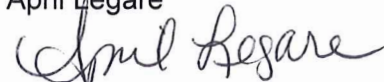
My goal is to make certain that monthly financial reports continue to be on time. The Treasurer's office will continue to have open, daily communication with the Auditors office to maintain that accurate information is received, that the funds ledger is balanced, and that the bank reconciliation is completed.

Upon the conclusion of the 2023 Audit and being present in the exit interview, I will implement proactive policy changes for the internal control issues within my office to remedy any further issues.

As the Treasurer of Grant County, I am fully committed in serving the taxpayers and fulfilling the responsibilities in the office.

Sincerely,

April Legare



Grant County Treasurer

COUNTY TREASURER
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2024, with April Legare, County Treasurer; Shane Middlesworth, President of the County Council; and Steve Wright, County Commissioner.

CLERK OF THE CIRCUIT COURT
GRANT COUNTY

CLERK OF THE CIRCUIT COURT
GRANT COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

A similar comment also appeared in prior Reports B57441, B60253, and B61672.

Condition and Context

Internal controls over the reconciling and reporting of the financial transactions of the Clerk of the Circuit Court (Clerk) funds were deficient. Deficiencies in internal controls could allow errors to occur and remain undetected.

Cash

Bank reconciliations were performed monthly by the First Deputy Bookkeeper. The reconciliation was not reviewed by the Clerk or someone other than the preparer.

Criteria

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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. . . ."

CLERK OF THE CIRCUIT COURT
GRANT COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2024, with Pamela K. Harris, Clerk of the Circuit Court; Shane Middlesworth, President of the County Council; and Steve Wright, County Commissioner.