

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DEKALB COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

08/12/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Susan Sleeper	01-01-23 to 12-31-24
County Treasurer	Sandra Wilcox	01-01-23 to 12-31-24
Clerk of the Circuit Court	Holly Albright	01-01-23 to 12-31-24
County Sheriff	Brady Thomas	01-01-23 to 12-31-24
County Recorder	Leta Hullinger	01-01-23 to 12-31-24
President of the Board of County Commissioners	William L. Hartman	01-01-23 to 12-31-24
President of the County Council	Richard Ring David Yarde	01-01-23 to 12-31-23 01-01-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DEKALB COUNTY, INDIANA

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

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

July 18, 2024

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COUNTY AUDITOR
DEKALB COUNTY

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DEKALB COUNTY
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report B61768, entitled *ANNUAL FINANCIAL REPORT*.

Condition and Context

The County had not established effective 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 Schedule of Expenditures of Federal Awards (SEFA).

The County did not properly review the federal grant information prepared and submitted in Gateway. 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 and allow correction of errors prior to submission.

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

1. The Federal Transit Cluster's expenditures were overstated by \$28,290.
2. The Highway Planning and Construction expenditures were understated by \$19,942.
3. The COVID-19 - Coronavirus State and Local Fiscal Recovery Funds showed amounts passed through to subrecipients that were overstated by \$1,148,515.

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

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)

COUNTY AUDITOR
DEKALB COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 18, 2024, with Susan Sleeper, County Auditor; Jody Wiedenhoef, Deputy County Auditor; William L. Hartman, President of the Board of County Commissioners; and Robert Krafft, County Council member.