

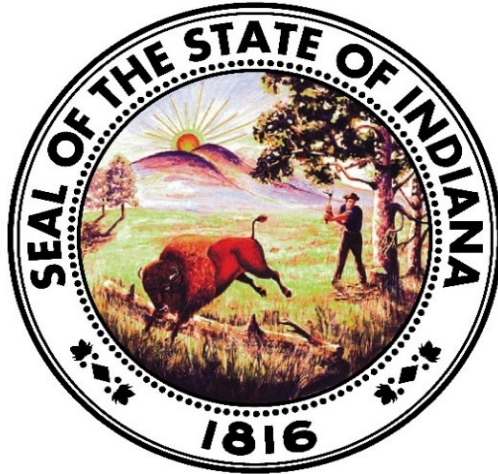
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FEDERAL COMPLIANCE AUDIT REPORT

OF

MIAMI COUNTY, INDIANA

January 1, 2023 to December 31, 2023



**FILED**

07/10/2024



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Mary Brown	01-01-23 to 12-31-24
County Treasurer	Annette Phillippo	01-01-23 to 12-31-24
Clerk of the Circuit Court	Sherry Raber	01-01-23 to 12-31-24
County Sheriff	Timothy S. Hunter	01-01-23 to 12-31-24
County Recorder	Paul Wilson	01-01-23 to 12-31-24
President of the Board of County Commissioners	Alan Hunt	01-01-23 to 12-31-24
President of the County Council	Sandy Chittum	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 MIAMI 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 Miami 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 June 18, 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 and 2023-002, 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 item 2023-002.

***Miami 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

June 18, 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 MIAMI COUNTY, INDIANA

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

***Qualified and Unmodified Opinions***

We have audited Miami 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 noncompliance 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 the Other Major Federal Program***

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 its other major federal program 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, the County did not comply with requirements regarding 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in finding number 2023-003 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.

***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**

*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 2023-003 and 2023-004, 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 June 18, 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

June 18, 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.

MIAMI 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 Base Ops Demo OCRA COVID Grant	Indiana Office of Community and Rural Affairs	14.228	B-20-DC-18-0001 B-20-DW-18-0001	\$ - 3,080	\$ 4,080 -
Total - Department of Housing and Urban Development				<u>3,080</u>	<u>4,080</u>
<u>Department of the Interior</u>					
Payments in Lieu of Taxes Payments in Lieu of Taxes	Direct Grant	15.226	FY 2023	-	5,069
Total - Department of the Interior				-	<u>5,069</u>
<u>Department of Justice</u>					
Crime Victim Assistance Dept of Justice	Indiana Criminal Justice Institute	16.575	VOCA-2022-00015-FR3	-	37,763
Total - Department of Justice				-	<u>37,763</u>
<u>Department of Transportation</u>					
Federal Transit Cluster Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs YMCA Rural Transit	Indiana Department of Transportation	20.526	A249-23G230014	337,404	337,404
Total - Federal Transit Cluster				<u>337,404</u>	<u>337,404</u>
Formula Grants for Rural Areas and Tribal Transit Program YMCA Rural Transit	Indiana Department of Transportation	20.509	A249-23G22087	314,725	314,725
Highway Safety Cluster State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	CHIRP-2023-00017-FR3 Contract	-	2,965
Total - Highway Safety Cluster				-	<u>2,965</u>
Highway Planning and Construction Bridge Inspection Report Bridge Inspection Report Bridge Inspection Report	Indiana Department of Transportation	20.205	Des #1902068 Des #2101757 Des #2101764	- - 57,764	103,325 50,444 57,764
Total - Highway Planning and Construction				-	<u>211,533</u>
Total - Department of Transportation				<u>652,129</u>	<u>866,627</u>
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds ARP Grant	Direct Grant	21.027	FY 2023	-	741,413
Total - Department of the Treasury				-	<u>741,413</u>

MIAMI 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 Health and Human Services</u>					
Public Health Emergency Preparedness	Indiana Department of Health	93.069			
22 Health Preparedness Grant			Contract #63159	-	22,893
23 Health Preparedness Grant			Contract #63159	-	5,910
Total - Public Health Emergency Preparedness				-	28,803
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID Testing Site #2	Indiana Department of Health	93.323	Contract #55319	-	965
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response School Liaison	Indiana Department of Health	93.354	NU90TP922179	-	248,350
Child Support Services	Indiana Department of Child Services	93.563			
CY 2021 Title IV-D Incentive			FY 2023	-	27,026
CY 2021 Prosecutor Incentive			FY 2023	-	23,675
CY 2021 Clerk Incentive			FY 2023	-	19,510
CY 2022 Prosecutor Expenditure F			FY 2023	-	179,192
CY 2022 Clerk Expenditures			FY 2023	-	18,845
CY 2022 Indirect Costs			FY 2023	-	90,753
CY 2021 Prosecutor Share			FY 2023	-	1,039
CY 2023 Prosecutor Deferral			FY 2023	-	246
CY 2023 Clerk Perpetuation			FY 2023	-	479
Total - Child Support Services				-	360,765
Foster Care Title IV-E Public Defender IV-E Grant	Indiana Department of Child Services	93.658	Contract 20220051	-	5,565
Total - Department of Health and Human Services				-	644,448
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants 2022 EMPG Grant	Indiana Department of Homeland Security	97.042	EMC-2022-EP-00005	-	20,961
BRIC: Building Resilient Infrastructure and Communities EMA Hazard Mitigation Grant	Indiana Department of Homeland Security	97.047	NOFO #DHS-20-MT-047-00-99	-	17,000
Total - Department of Homeland Security				-	37,961
Total federal awards expended				\$ 655,209	\$ 2,337,361

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

MIAMI 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.

MIAMI 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
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Unmodified
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

**Section II - Financial Statement Findings**

**FINDING 2023-001**

Subject: Financial Transactions and Reporting - Disbursements  
Audit Finding: Material Weakness

*Condition and Context*

The County's process for disbursements was as follows: first, the Deputy County Auditor prepared the claim; next, the claim was reviewed and certified by the County Auditor; finally, an Accounts Payable Voucher top sheet and County Commissioner's Report were prepared and provided to the Board of County Commissioners (Board) for review and approval.

MIAMI COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

After review of the County Commissioner's Report, it was determined that the check number and the accounts payable voucher number were not included. In addition, details such as vendor, fund, and amount were capable of being changed after Board approval, when the checks were printed and disbursements were recorded to the financial ledger. No additional review was performed after checks were generated and disbursements were recorded to the financial ledger.

*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. . . ."

*Cause*

The County had internal controls in place for disbursements until the disbursements were entered into the system. When the disbursements were approved by the Board, the disbursements entered into the system had not been posted, which allowed for the County to have access to modify the vendor name, amount paid to vendor, and fund, after they were approved by the Board.

*Effect*

Without a proper system of internal controls that operated effectively, material misstatement of disbursements could have occurred and remained undetected. Without a proper system of internal controls, the County had access to modify the vendor name, amount paid to vendor, and fund after they were approved by the Board.

*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: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

MIAMI COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 County is required to file financial reports after the close of each calendar year. The reports are to be filed electronically as prescribed.

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), were not effective.

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 controls were 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 included the following errors:

- The Formula Grants for Rural Areas and Tribal Transit Program expenditures and amounts passed through to subrecipients were both understated by \$101,281.
- Additional grants had individually immaterial errors that resulted in misstatements of \$189,641, in total.
- Other errors included incorrect program names, pass-through entities, and identifying numbers.

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; . . ."

MIAMI COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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. . . ."

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:

MIAMI 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. . . ."

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 Counties of Indiana, Chapter 1)

*Cause*

The County had internal controls in place over the preparation of the SEFA; however, the internal controls were not effective in identifying material errors identified in the *Condition and Context*.

*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*. Effective internal controls over the preparation of the SEFA should be in place to identify any material errors prior to the submission of the SEFA.

*Views of Responsible Officials*

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

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

**FINDING 2023-003**

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): FY 2023  
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 2022-003.

MIAMI COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 (Continued)

*Condition and Context*

The County elected to receive the standard revenue loss allowance, allowing them to claim its total State and Local Fiscal Recovery Funds (SLFRF) allocation of \$6,898,567 as revenue loss to use for government services. As such, all SLFRF program funds to date were expended under the revenue loss eligible use category. The U.S. Department of the Treasury (Treasury) determined that there are no subawards under this eligible use category, and that recipients' use of revenue loss funds would not give rise to subrecipient relationships as there is no federal program or purpose to carry out in the case of the revenue loss portion of the award.

Prior to entering into subawards and covered transactions with SLFRF award funds, recipients are required to verify that such contracts and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods and services awarded under procurement and non-procurement transactions (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, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person. Due to the Treasury's determination that the revenue loss eligible use category does not give rise to subawards, the County was only required to comply with suspension and debarment requirements, related to covered transactions.

Upon inquiry of the County to determine its 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. Ten covered transactions to six different vendors for goods or services that equaled or exceeded \$25,000 that were paid from SLFRF funds were identified. Each transaction was examined to determine whether the County verified the suspension and debarment status of the vendor prior to payment. The County had not verified the vendor's suspension and debarment status for any of the ten covered transactions listed below prior to issuing payment.

Covered Transactions Tested

Description	Amount
Tractors and Equipment for Highway Department (1 transaction, 1 vendor)	\$ 155,610
Various local contractors for excavating services (7 transactions, 3 vendors)	291,425
Services on the HVAC for the Courthouse (1 transaction, 1 vendor)	75,000
Purchase of culverts (1 transaction, 1 vendor)	29,933

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:

MIAMI 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). . . ."

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."

*Cause*

The County had not implemented an effectively designed system of internal controls for suspension and debarment. The County did not verify any covered transactions identified in testing that they were not suspended or debarred prior to entering into the covered transaction.

*Effect*

Without the proper implementation of an effectively designed system of internal controls, the County cannot ensure the vendors paid with federal funds are eligible to participate in federal programs. 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.

Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions or 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 the County strengthen its system of internal controls to ensure that all vendors that are paid \$25,000 or more, all or in part with federal funds, are not suspended or debarred from participating in federal programs before entering into any covered transactions.

*Views of Responsible Officials*

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

MIAMI COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***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 2023  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-004.

*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 received an allocation of less than \$10 million in State and Local Fiscal Recovery Funds. As such, the P&E report, covering the period from April 1, 2022 to March 31, 2023, was required to be submitted to the Treasury by April 30, 2023.

The County submitted the P&E report by April 30, 2023, as required; however, there were no internal controls in place that would likely be effective in preventing, or detecting and correcting, noncompliance related to the P&E report. The County Auditor prepared and submitted the report without an oversight or review process.

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:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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*

The County did not implement an effectively designed system of internal controls over reporting. There was no indication of internal controls in place over reporting.

MIAMI COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

Without the proper implementation of an effectively designed system of internal controls over reporting, the County cannot ensure that the reports submitted are materially accurate and correct. If there was a proper implementation of an effectively designed system of internal controls over reporting, the County would have been able to detect any errors prior to submission.

*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 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.



Sherry Raber  
Miami County Clerk

25 N. Broadway  
Room 208  
Peru, IN 46970

2<sup>nd</sup> Floor  
(765) 472-3901 x1358  
Fax (765) 472-1778

### **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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

**Fiscal year in which the finding initially occurred: 2019**

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

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

#### **Summary of Finding:**

The Clerk of the Circuit Court (Clerk) completed a bank reconciliation for the Clerk Trust and the Clerk ISETS funds as of December 31, 2022. The Deputy Clerk reviewed the completed bank reconciliation. However, the review was not effective at preventing, or detecting and correcting, errors on the reconciliation.

#### **Status of Audit Finding:**

*Fully Corrected and the original corrective action was implemented*

The Clerk of Circuit Court completes the bank reconciliations for the Clerk Trust account and the Clerk ISETS account. The Deputy Clerk reviews the completed bank reconciliations to verify accuracy. This procedure in the past was not effective in preventing miscellaneous reconciling items. Since the finding this has been corrected. The Clerk worked with Odyssey to identify these miscellaneous reconciling items to get them cleared up.

#### **Response Comments:**

N/A



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2021-003 and 2022-002**

**Fiscal year in which the finding initially occurred: 2019**

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

**Finding Subject: Preparation of the Schedule of Expenditures of Federal Awards**

#### **Summary of Finding:**

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 County's Schedule of Expenditures of Federal Awards (SEFA).

The County failed to 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 controls were not effective and did not detect and allow correction of errors prior to submission.

#### **Status of Audit Finding:**

*Partially Corrected and the original corrective action was implemented*

#### **Response Comments:**

The Schedule of Expenditures of Federal Awards is a difficult task to undertake each year. We do our best to ensure we are reporting correctly, but have found this a continued challenge year after year. We continue to work with departments to have them review their portion of the SEFA for a cross check to the reporting.

We continue to do additional tracking throughout the year to ensure we have captured all the data required to report on the SEFA. We have also implemented a cross-check with the grantors to provide documentation for disbursements and to assist with proper reporting, but we have not always found success when working with the grantors. We also found incorrect information was provided for reporting. For example, we received a report from IV-D showing the disbursement and categories for reporting, but conflicted with the remittance statements. Due to the report coming from IV-D, we reported based off the documentation submitted to our office, which was later determined to be incorrect. We should have reported based off the remittance notices and not off the report provided by IV-D. In another instance, we contacted INDOT for assistance in reporting for YMCA Rural Transit program. We wanted to make sure that we were reporting correctly the amounts for each CFDA number and reported based on federal dollars and not any local matching funds. We were not successful in obtaining the necessary information



after several attempts for help.

We continue to work to find ways to improve our internal controls to eliminate the ineffective controls under the repeat finding. We do our best to ensure we are doing everything possible to report accurately. We continue to seek additional education for entering, reviewing the SEFA to ensure the data is correct, and internal control is effective.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-003**

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

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

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

#### **Summary of Finding:**

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. 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 first covered transaction in the amount of \$135,267 was made for the purchase and installation of a chiller. The County was unable to provide documentation to support whether the County verified the vendor's suspension and debarment status prior to issuing payment.

The second covered transaction in the amount of \$225,171 was made to a contractor for the demolition of the former jail building. The County was unable to provide documentation to support whether the County verified the vendor's suspension and debarment status prior to issuing payments.

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. We also recommended that supporting documentation be retained in order to be presented for audit.

#### **Status of Audit Finding:**

*Not Corrected*

#### **Response Comments:**

The County, after the last audit implemented use of Sams.gov for review of contracts and subawards for suspension and debarment status. The County implemented including a copy of the report from Sams.gov for each grant file, but failed to administer the internal control for contracts under the



Coronavirus State and Local Fiscal Recovery Funds in error. The County will ensure that moving forward, we certify the vendor has not been suspended or debarred for all grant programs, including the Coronavirus State and Local Fiscal Recovery Funds.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-004**

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

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

### **Finding Subject: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Reporting Summary of Finding:**

The County had not established a system of internal controls that would likely be effective in preventing, or detecting and correcting, noncompliance related to the reporting compliance requirement. 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 received an allocation of less than \$10 million in State and Local Fiscal Recovery Funds. 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.

The County submitted the P&E report by April 30, 2022, as required; however, the report was not mathematically accurate and complete, nor was it supported by the County's records. Additionally, data accumulated and summarized was not accurate and complete.

The key line items of "Total Cumulative Expenditures" and "Current Period Expenditures" as reported on the P&E report did not agree to the County's ledger. The amount reported for the "Total Cumulative Expenditures" line item was overstated by \$5,408,166 due to listing the full amount of obligations instead of cumulative expenditures. The amount reported for the "Current Period Expenditures" was understated by \$1,409,585 as not all activity for the reporting period was properly included due to the reported amount not including expenditures for March 3, 2021 to December 31, 2021.

We recommended that management of the County establish a proper system of internal controls over the Reporting compliance requirement, including strengthening their policies and procedures to ensure that the County provides the Treasury with complete and accurate information for the P&E report.

### **Status of Audit Finding:**

*Not corrected*



**Response Comments:**

The County initially setup contact and reporting information for the Miami County Auditor and Miami County Chairman Board of Commissioners. The Miami County Auditor believed after submission of reporting in the online system for the COVID-19 – Coronavirus State and Local Fiscal Recovery Funds a copy of the report for review also went to the Miami County Chairman Board of Commissioners. It was determined during the audit that was not the case. In the future, the County will ensure the Miami County Chairman Board of Commissioners reviews the report and signs off before submission.



**CORRECTIVE ACTION PLAN**

**FINDING 2023-001**

**Finding Subject: Financial Transactions and Reporting – Disbursements**

**Summary of Finding:**

After review of the Commissioner's Report, it was determined that the check number and the accounts payable voucher number were not included. In addition, details such as vendor, fund and amount were capable of being changed after commissioner approval, when the checks were printed, and claims were posted to the ledger.

The County had internal controls in place for disbursements until the disbursements were entered into the system. When the disbursement were approved by the County Commissioners, the disbursements entered into the system had not been posted, which allowed for the County to have access to modify the vendor name, amount paid to vendor, and fund, after they were approved by the County Commissioners

**Contact Person Responsible for Corrective Action: Mary Brown**  
**Contact Phone Number and Email Address: 765-472-3901 Ext. 1240 and**  
[mbrown@miamicountyin.gov](mailto:mbrown@miamicountyin.gov)

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:**

Our office works hard to ensure transparency for all transactions. This finding is new for us, as we were utilizing the process that has been in place for many years with other internal controls in place that does not allow for the same person to write, enter and process claims. During our audit, the Field Examiner questioned the effectiveness of our internal controls as it pertained to changing a vendor or amount after the claims were approved. Previously, after approval of claims by the Board of Commissioners, we processed checks, mailed or sent the file to the bank for direct deposit. However, the concern raised during the audit was that without a check number already assigned or someone reviewing the check register, a claim could be altered by changing the vendor or amounts. We have since implemented a new process when finalizing payment for claims. Now, checks/Direct Deposits are prepared and held prior to the final approval by the Board of Commissioners, reviewed by another person in the office for accuracy and signed off on that all claims had not been altered in any way. Once the Board of Commissioners approves the claims for payments, the Claims Deputy will then mail or send the file to the bank for Direct Deposit.

**Anticipated Completion Date:**  
Already implemented 6/3/2024.



**CORRECTIVE ACTION PLAN**

***FINDING 2023-002***

**Finding Subject: Preparation of Schedule of Expenditure Awards**

**Summary of Finding:**

The County is required to file financial reports after the close of each calendar year. The reports are to be filed electronically as prescribed.

The County filed their 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) were not effective.

The County did not properly review the federal grant information prepared and submitted in the Gateway. Although one employee prepared and entered the federal award information into the Gateway, and another employee reviewed and approved the information entered; the internal controls were not effective and did not detect and allow correction of errors prior to submission.

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the Condition and Context. Effective internal controls over the Preparation of the Schedule of Expenditures of Federal Awards should be in place to identify any material errors prior the submission of the SEFA.

**Contact Person Responsible for Corrective Action: Mary Brown**  
**Contact Phone Number and Email Address: 765-472-3901 Ext. 1240 and**  
[mbrown@miamicountyin.gov](mailto:mbrown@miamicountyin.gov)

**Views of Responsible Officials:** We concur with this finding.

**Description of Corrective Action Plan:**

We continue to work with departments applying for grant funding to ensure we have all necessary documentation to provide the most accurate reporting for the SEFA as possible.

The SEFA is probably one of the most difficult tasks to complete on the Annual Financial Report. It is extremely frustrating to not be able to retrieve all the necessary data from the grantor agency in order to have an accurate report and even more frustrating when they do not respond or provide inaccurate data. While I agree with the findings, I do think there should be accountability of the grantor agency to provide clear and accurate reporting information to all units. Our office continues to do additional tracking throughout the year to ensure we have captured all the data track required to report on the SEFA and are constantly looking for new ways to improve our internal controls for verifying the SEFA information. We do our best to ensure we are doing everything possible to report accurately. We will continue to seek



additional education for entering and reviewing the SEFA to ensure the data is correct and the internal control is effective.

**Anticipated Completion Date:** January 2025



**CORRECTIVE ACTION PLAN**

**FINDING 2023-003**

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

**Summary of Finding:**

Upon inquiry of the County to determine their 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. Ten covered transactions to six different vendors for goods or services that equaled or exceeded \$25,000 that were paid from SLFRF funds were identified. Each transaction was examined to determine whether the County verified the suspension and debarment status of the vendor prior to payment. For all ten covered transactions, as identified below, the County had not verified the vendor's suspension and debarment status prior to issuing payment.

Covered Transactions Tested

Description	Amount
Tractors and Equipment for Highway Department (1 transaction, 1 vendor)	\$155,610
Various local contractors for excavating services (7 transactions, 3 vendors)	\$291,425
Services on the HVAC for the Courthouse (1 transaction, 1 vendor)	\$75,000
Purchase of culverts (1 transaction, 1 vendor)	\$29,933

We recommended that County strengthen its system of internal control to ensure that all vendors that are paid \$25,000 or more, all or in part with federal funds, are not suspended or debarred from participating in federal programs before entering into any covered transactions.

**Contact Person Responsible for Corrective Action: Mary Brown**  
**Contact Phone Number and Email Address: 765-472-3901 Ext. 1240 and**  
[mbrown@miamicountyin.gov](mailto:mbrown@miamicountyin.gov)

**Views of Responsible Officials: We concur with the finding.**



**Description of Corrective Action Plan:**

We were notified in May of 2023 at training the county needed to have a Procurement and Suspension and Debarment policy and procedures in place. I was notified of the options through our Field Examiner and will be using SAM.gov to verify vendors meet the requirements to enter into a covered transaction. While we did complete the process of verification with our other grants, I failed to do so with the ARPA funding, in error.

**Anticipated Completion Date:**

January 2025



## **CORRECTIVE ACTION PLAN**

### ***FINDING 2023-004***

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

#### **Summary of Finding:**

The County submitted the P&E report by April 30, 2023, as required; however, there were no internal controls in place that would likely be effective in preventing, or detecting and correcting, noncompliance related to the P&E report. The County Auditor prepared and submitted the report without an oversight or review process.

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 provides the Treasury with complete and accurate information for the P&E report.

**Contact Person Responsible for Corrective Action: Mary Brown**

**Contact Phone Number and Email Address: 765-472-3901 Ext. 1240 and [mbrown@miamicountyin.gov](mailto:mbrown@miamicountyin.gov)**

**Views of Responsible Officials:** We concur with the finding.

#### **Description of Corrective Action Plan:**

Due to an oversight, the reporting for ARPA funding was not reviewed by another person after entering the data for reporting. It was my understanding, based on data entered when initial reporting began, a copy of the information also went to the Chairman of Board of Commissioners, however, it was later determined a copy was not sent. For future reporting, we will ensure someone else reviews the information prior to final submission.

#### **Anticipated Completion Date:**

January 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/>.