

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

**Paul D. Joyce, CPA
State Examiner**

SUPPLEMENTAL COMPLIANCE REPORT

OF

WASHINGTON COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
12/16/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kyra Stephenson	01-01-23 to 12-31-24
County Treasurer	Nancy Coats	01-01-23 to 12-31-24
Clerk of the Circuit Court	Stephanie K. Rockey	01-01-23 to 12-31-24
County Sheriff	Brent A. Miller	01-01-23 to 12-31-24
County Recorder	Terri Graves	01-01-23 to 12-31-24
Superintendent of the County Highway	Rick Voyles Jason Clodfelter (Vacant) Rick Voyles	01-01-23 to 12-31-23 01-01-24 to 08-27-24 08-28-24 to 09-30-24 10-01-24 to 12-31-24
President of the Board of County Commissioners	Phillip D. Marshall	01-01-23 to 12-31-24
President of the County Council	Keeley Stingel Mark E. Abbott	01-01-23 to 12-31-23 01-01-24 to 12-31-24



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF WASHINGTON COUNTY, INDIANA

This report is supplemental to the audit report of Washington 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

December 2, 2024



COUNTY AUDITOR
WASHINGTON COUNTY

COUNTY AUDITOR
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

Internal controls were not in place to ensure the County complied with laws and regulations. Internal control deficiencies resulted in noncompliance with the following areas and are detailed further in the comments below:

- Annual Financial Report
- Overdrawn Cash Balances
- Motor Vehicle Highway (MVH) - Restricted Fund
- Capital Assets

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. . . ."

ANNUAL FINANCIAL REPORT

A similar comment appeared in a Management Letter addressed to the County Auditor for the audit period ending December 31, 2022.

Condition and Context

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units financial reporting system. The County had not established effective internal controls over the information submitted in the AFR, which resulted in the following errors:

Financial Information

Errors were made in reporting the cash and investment balances for two funds totaling \$5,000,000. The beginning and ending cash and investment balances for the APR Grant Fund 21.027 were overstated by \$1,000,000. The beginning and ending cash and investment balances for the General fund were overstated by \$4,000,000.

COUNTY AUDITOR
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The financial activity reported by the Clerk of the Circuit Court to the County Auditor for inclusion in the AFR was incorrect, resulting in the Clerk Trust fund beginning cash and investment balance being overstated by \$79,347; receipts overstated by \$17,878; disbursements understated by \$7,119; and the ending cash and investment balance overstated by \$104,344.

The submitted information is used to compile the financial statement and the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis reported as Other Information included in the Financial Statement Audit Report of the County. Audit adjustments were proposed, accepted by the County, and made to the financial statement and the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the County.

Grants Schedule

The grant schedule within the AFR did not include three grant programs as follows:

- The Emergency Management Performance Grants in the amount of \$20,616.
- The Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii in the amount of \$97,959.
- The Foster Care Title IV-E grant in the amount of \$6,625.

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](#)."

OVERDRAWN CASH BALANCES

Condition and Context

As of December 31, 2023, two funds had overdrawn balances in excess of outstanding grant reimbursement amounts as of year end, and the other fund had expenditures in excess of revenues and available funds on hand as follows:

Fund	Amount Overdrawn
Crime Victim Assistance	\$ 35,703
Adult Protective Service (Apsu)	90,433
Clerks Records Perpetuation	427

COUNTY AUDITOR
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

A similar comment appeared in prior Reports B58046 and 000001048S.

Condition and Context

MVH Restricted fund disbursements were made for activities not related to construction, reconstruction, or preservation of the County's highways for four of the ten disbursements tested. Three of the disbursements were for fuel disbursements. One disbursement was for grant administration help which cannot be directly allocated to one specific road or bridge project.

Criteria

Indiana Code 8-14-1-4(b) states in part: "Except as provided in subsection (c), for funds distributed to a county from the motor vehicle highway account, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county's highways."

CAPITAL ASSETS

Condition and Context

The County did not conduct a physical inventory of capital assets for comparison with the capital asset record in the last two years. Proper procedures were not in place to ensure that assets purchased from the County Sheriff's Commissary Fund are added to the County's capital asset listing.

In addition, proper procedures were not in place to ensure that assets that have been disposed of are removed from the County's capital asset listing. Two vehicles purchased in 2023 were not included on the asset record. Five vehicles were disposed of during 2023; however, only three of the vehicles were reported on the capital asset listing, and none of the vehicles were identified as being disposed of during the year.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

COUNTY AUDITOR
WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 2, 2024, with Kyra Stephenson, County Auditor; Michele Fleenor, First Deputy County Auditor; Phillip D. Marshall; President of the Board of County Commissioners; Todd M. Ewen, County Commissioner; Mark E. Abbott, President of the County Council; and Andrew Davisson, County Council member.



CLERK OF THE CIRCUIT COURT
WASHINGTON COUNTY

CLERK OF THE CIRCUIT COURT
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

A similar comment also appeared in prior Reports B54324, B58046, and 000001048S.

Condition and Context

There were several deficiencies in the internal control system of the Clerk of the Circuit Court (Clerk) related to financial transactions and reporting as follows:

Cash and Investments

Monthly bank reconciliations were performed without any documented oversight or review. The person performing the reconciliations was also responsible for receipting and reconciling daily cash collections. The following exceptions were noted with the bank reconciliations performed:

- The items used as reconciling items did not always contain sufficient documentation to support the reason the amount was being used as a reconciling item to allow for verification of the amount.
- The outstanding check list used in the reconciliation at December 31 did not agree with the detailed listing of outstanding checks provided for audit.
- Bank interest was not properly identified and reported as a reconciling item.

Financial Transactions

- Evidence was not presented for audit that internal controls were in place to ensure all financial activity for the day was properly recorded to the Clerk's Cash Book of Receipts and Disbursements (cash book) and deposited to the bank. No documentation was presented to show that the Daily Cash Balance report was reviewed to ensure that all receipt and disbursement activity for the day was properly processed and recorded within the computerized financial system.
- Proper internal controls were not in place for disbursement transactions. One individual was responsible for issuing checks with no evidence presented for audit to substantiate that there was an oversight or review process to ensure that the checks were issued to the proper payee for the proper amount or that they were properly recorded.
- There were no documented internal controls in place showing the reconciliation of the subsidiary trust account balance with the trust control account.
- Entries were recorded to the bank account discrepancy account without proper documentation to support how the amount was determined and proper oversight and review of the amount recorded.
- Bank service fees and kiosk fees were not recorded to the financial records.

CLERK OF THE CIRCUIT COURT
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Financial Close and Reporting

Internal controls over the Supplemental Annual Financial Report (CAR-1) for the Clerk's financial information prepared for inclusion in the County's financial statement were not effective as the amounts reported were incorrect. The Supplemental CAR-1 beginning cash and investment balance was overstated by \$79,347; receipts were overstated by \$17,878; disbursements were understated by \$7,119; and the ending cash and investment balance was overstated by \$104,344.

Adjustments were proposed, accepted by the County, and made to the financial statement and the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement 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. . . ."

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."

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 Clerks of the Circuit Courts of Indiana, Chapter 1)

The supplemental annual report forms are submitted by other county offices and departments to be used by the county auditor to provide complete financial information for the annual report by reporting financial activity that is maintained outside of the county auditor's system. The supplemental annual reports are only to be submitted with financial activity that is not eventually accounted for in the county's general ledger system. (The County Bulletin and Uniform Compliance Guidelines, January 2014)

CLERK OF THE CIRCUIT COURT
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Clerks of the Circuit Courts of Indiana, Chapter 1)

MONTHLY AND ANNUAL UPLOADS

The same comment also appeared in prior Report 000001048S.

Condition and Context

Proper internal controls were not in place to ensure that the Clerk of the Circuit Court (Clerk) complied with State Examiner Directive 2018-01. The Clerk failed to upload the required monthly and annual files on the Indiana Gateway for Government Units financial reporting system from April 2023 to December 2023.

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Clerk of the Circuit Courts of Indiana, Chapter 1)

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. . . ."



STEPHANIE K. ROCKEY, CLERK
WASHINGTON COUNTY CLERK OF THE COURTS

December 10, 2024

OFFICIAL RESPONSE

Contact Person: Stephanie K. Rockey, Clerk
Contact Phone Number: 812-883-5748 x1120

Views of Responsible Official:

We will continue to work with SBOA, using mandated Court Technology to work on effective procedures to be in compliance with SBOA audits, not solely relying on the direction of Court Technology.

Cash and Investments:

Effective proof of controls will be uploaded to Gateway to provide SBOA Auditors documented oversight and review of all financial transactions and reconciliation of all held accounts that occurred.

Financial Transactions: The Cash Book and Daily Cash Balance report will include additional signatures to provide evidence of the review and approval process performed. All daily transaction reports will be audited, approved, and scanned daily for retention for audits.

All outside investment reconcilements will be documented manually to provide documentation for audits. *Effective proof of controls will be uploaded to Gateway to provide SBOA Auditors documented oversight and review of all financial transactions and reconciliation of all held accounts that occurred.*

Financial Reporting: The CAR-1 report will be prepared by one individual and reviewed and approved by another as evident by signatures to ensure the amounts reported are correct. Complete backed-up report will be uploaded to Gateway. *Effective proof of controls will be uploaded to Gateway to provide SBOA Auditors documented oversight and review of all financial transactions and reconciliation of all held accounts that occurred.*

Required Uploads: Required uploads have been uploaded prior to audit. Additional uploads to further provided documented controls are currently being uploaded and will continue. *Effective proof of controls will be uploaded to Gateway to provide SBOA Auditors documented oversight and review of all financial transactions and reconciliation of all held accounts that occurred.*

Anticipated Completion Date:

Cash and Investments: 12-31-2024
Financial Transactions: 12-31-2024
Financial Reporting: 12-31-2024

With appreciation,

Stephanie K. Rockey,
Clerk of Court

WASHINGTON COUNTY JUDICIAL CENTER
801 S. JACKSON STREET, SUITE 102
SALEM, INDIANA 47167
PH. 812-883-5748 FAX: 812-896-0050
clerk@washingtoncounty.in.gov

CLERK OF THE CIRCUIT COURT
WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 2, 2024, with Stephanie K. Rockey, Clerk of the Circuit Court; Adria Dupin, Deputy Clerk of the Circuit Court; Phillip D. Marshall, President of the Board of County Commissioners; Todd M. Ewen, County Commissioner; Mark E. Abbott, President of the County Council; and Andrew Davisson, County Council member.

COUNTY SHERIFF
WASHINGTON COUNTY

COUNTY SHERIFF
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

A similar comment appeared in prior Reports B54324, B58046, and 000001048S.

Condition and Context

The County Sheriff (Sheriff) had not designed or implemented internal controls, including segregation of duties for the Inmate Trust, Cash Book, Commissary, and Investigative Fund. One person was responsible for recording the financial activity, making deposits, writing checks, posting financial transactions, and performing bank reconciliations. The process was completed without a documented oversight, review, or approval process to ensure the accuracy of the financial transactions and reporting.

Inmate Trust

A review of the Inmate Trust financial activity identified the following deficiencies in financial transactions and reporting:

- The subsidiary record of individual inmates' account balances was not reconciled to the Inmate Trust control account (Inmate Trust ledger) during the audit period. Monthly reconciliations of the subsidiary account to the control account are needed to ensure all financial transactions have been properly recorded in the financial records.
- Monies were not deposited timely. Activity reviewed during the audit period indicated monies were being deposited weekly regardless of the amount of funds received.
- Bank reconciliations of the Inmate Trust Stellar Account were performed; however, the reconciliations showed deposits in transit in the amount of \$17,781 associated with a transaction dated back in October 2021. A proper deposit in transit would clear the bank in the month subsequent to the receipt being issued and would not be a reconciling item in subsequent months. Internal controls were not in place to identify and correct errors in a timely manner.

Cash Book

A review of the Sheriff's Cash Book financial activity identified the following deficiencies in financial transactions and reporting:

- Monies were not deposited timely. Activity reviewed during the audit period indicated monies were being deposited weekly regardless of the amount of funds received.

Criteria

Indiana Code 5-13-6-1(c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . ."

Indiana Code 5-13-6-1(g) states in part:

"The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): . . ."

COUNTY SHERIFF
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- (2) A local officer of a political subdivision required to deposit funds under subsection (c) other than a township trustee.
- (3) A city or a town required to deposit funds under subsection (d)."

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."

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 Counties of Indiana, Chapter 1)

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. . . ."

COUNTY SHERIFF COMMISSARY SEMI-ANNUAL FINANCIAL REPORT

Condition and Context

Proper internal controls were not in place to ensure that County Sheriff complied with laws and regulations pertaining to the semi-annual report of receipts and disbursements of the Commissary Fund required to be provided to the County fiscal body. No semi-annual reports were provided to the County Council during the audit period.

Criteria

Indiana Code 36-8-10-21(e) states:

"The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record. The sheriff shall semiannually provide a copy of this record of receipts and disbursements to the county fiscal body. The semiannual reports are due on July 1 and December 31 of each year."

COUNTY SHERIFF
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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:

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PRESCRIBED FORMS

Condition and Context

Internal controls were not in place to ensure that the County complied with laws and regulations pertaining to prescribed forms. The County Sheriff did not use the prescribed fund's receipts and disbursement record to record financial activity for the Commissary Fund. The record utilized by the County Sheriff did not contain information to categorize disbursements made as it relates to the expenditures allowed per Indiana Code 36-8-10-21.

Criteria

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Indiana Code 36-8-10-21(e) states in part: "The sheriff shall maintain a record of the fund's receipts and disbursements. The state board of accounts shall prescribe the form for this record. . . ."

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:

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COUNTY SHERIFF
WASHINGTON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

ANNUAL UPLOADS

A similar comment appeared in prior Report 000001048S.

Condition and Context

Internal controls were not in place to ensure the County Sheriff complied with laws and regulations pertaining to State Examiner Directive 2018-01 for annual uploads. The County Sheriff failed to upload the Inmate Trust fund subsidiary detail as of December 31 on the Indiana Gateway for Government Units financial reporting system for December 2023.

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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:

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COUNTY SHERIFF
WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2024, with Brent A. Miller, County Sheriff.

The contents of this report were also discussed on December 2, 2024, with Phillip D. Marshall, President of the Board of County Commissioners; Todd M. Ewen, County Commissioner; Mark E. Abbott, President of the County Council; and Andrew Davisson, County Council member.

COUNTY HIGHWAY
WASHINGTON COUNTY

COUNTY HIGHWAY
WASHINGTON COUNTY
AUDIT RESULT AND COMMENT

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

The same comment appeared in the prior Reports B58046 and 000001048S.

Condition and Context

Internal controls were not in place to ensure compliance with laws and regulations pertaining to the MVH Restricted fund.

MVH Restricted fund disbursements were made for activities not related to construction, reconstruction, or preservation of the County's highways for four of the ten disbursements tested. Three of the disbursements were for fuel disbursements. One disbursement was for grant administration help which cannot be directly allocated to one specific road or bridge project.

Criteria

Indiana Code 8-14-1-4(b) states: "Except as provided in subsection (c), for funds distributed to a county from the motor vehicle highway account, the county shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county's highways."

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:

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COUNTY HIGHWAY
WASHINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2024, with Rick Voyles, Superintendent of the County Highway.

The contents of this report were also discussed on December 2, 2024, with Phillip D. Marshall, President of the Board of County Commissioners; Todd M. Ewen, County Commissioner; Mark E. Abbott, President of the County Council; and Andrew Davisson, County Council member.