

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CLINTON COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
09/27/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Britt Ostler	01-01-23 to 12-31-24
County Treasurer	Gina Brettnacher	01-01-23 to 12-31-24
Clerk of the Circuit Court	Stephanie Harshbarger	01-01-23 to 12-31-24
County Sheriff	Richard Kelly	01-01-23 to 12-31-24
County Recorder	Elizabeth J. Keeney	01-01-23 to 12-31-24
President of the Board of County Commissioners	Jordan Brewer	01-01-23 to 12-31-24
President of the County Council	Alan Dunn	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 CLINTON 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 Clinton County (County), for the year ended December 31, 2023, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated July 1, 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 items 2023-001 and 2023-002.

Clinton 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

September 19, 2024



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

TO: THE OFFICIALS OF CLINTON COUNTY, INDIANA

Report on Compliance for the Major Federal Program

Qualified Opinion

We have audited Clinton County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2023. The County's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2023.

Basis for Qualified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on COVID-19 - 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 items 2023-003 for Reporting and 2023-004 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

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.

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

Report on 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 THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the County, as of and for the year ended December 31, 2023, and the related notes to the financial statement. We issued our report thereon dated September 19, 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

September 19, 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.

CLINTON 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
Department of Justice					
Crime Victim Assistance VOCA GRANT	INDIANA CRIMINAL JUSTICE INSTITUTE	16.575	03218V2GX003103	\$ -	\$ 26,833
Violence Against Women Formula Grants VICTIM ADVOCATE GRANT	INDIANA CRIMINAL JUSTICE INSTITUTE	16.588	03220WFAX003103	-	12,997
Total - Department of Justice				-	39,830
Department of Transportation					
Federal Transit Cluster					
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs Resource Center Transportation	Indiana Department of Transportation	20.526	800FTAIN2021031	-	26,750
			800FTAIN2022000	-	5,922
			800FTAIN2022014	-	60,275
Total - Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs				-	92,948
Total Federal Transit Cluster				-	92,948
Highway Safety Cluster					
State and Community Highway Safety State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	032NGT402_22BIL	-	4,063
Total Highway Safety Cluster				-	4,063
Highway Planning and Construction					
CUM BRIDGE BRIDGE INSP/CUM BRIDGES	INDIANA DEPARTMENT OF TRANSPORTATION	20.205	800160076900LC1	-	349,434
Formula Grants for Rural Areas and Tribal Transit Program PAUL PHILLIPPEE OPERATING ASSISTANCE GRANT	INDIANA DEPARTMENT OF TRANSPORTATION	20.509	800200156800LC7	290,627	290,627
Minimum Penalties for Repeat Offenders for Driving While Intoxicated DUI TASKFORCE	INDIANA DEPARTMENT OF TRANSPORTATION	20.608	032NHT164AL2021	-	1,680
Total - Department of Transportation				290,627	738,752
Department of the Treasury					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds Lead Case Management Fund COVID-19 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	Indiana Dept of Health Direct Grant	21.027	400ARPHLTHISSCH CY2022	-	8,393
Total - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				-	1,738,492
Total - Department of the Treasury				-	1,738,885

CLINTON 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 PUBLIC HEALTH EMERGENCY PREPAREDNESS II PUBLIC HEALTH EMERGENCY PREPAREDNESS	INDIANA DEPARTMENT OF HEALTH	93.069	00400-0020011611 40093069PHEPA22	- -	4,127 <u>16,507</u>
Total - Public Health Emergency Preparedness				-	<u>20,634</u>
Immunization Cooperative Agreements PPHF CAPACITY	INDIANA DEPARTMENT OF HEALTH	93.268	3897	-	<u>8,955</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) COVID TESTING GRANT II	INDIANA STATE DEPARTMENT OF HEALTH	93.323	NU50CK000503	-	<u>3,240</u>
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds PPHF CAPACITY	Indiana Department of Health	93.539	40093539PPHF022	-	<u>33,786</u>
Child Support Enforcement INDIRECT COST CHILD SUPPORT COURT EXPENDITURES PROSECUTOR IV-D INCENTIVE TITLE IV-D INCENTIVE	INDIANA DEPARTMENT OF CHILD SERVICES	93.563	502IVD66CNTYF22 502IVDCSESADF22 502IVDINCENTF21 502IVDINCENTF21	- - - -	46,196 187,851 1,680 <u>215</u>
Total - Child Support Services				-	<u>235,942</u>
Opioid STR PROBATION OPIOID GRANT	INDIANA SUPREME COURT	93.788	20-5JC89-C12-032	-	<u>120,410</u>
Total - Department of Health and Human Services				-	<u>422,967</u>
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants EMA SALARY REIMBURSEMENT	INDIANA DEPT OF HOMELAND SECURITY	97.042	38521EMPG000000	-	<u>44,827</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Disaster Grants	Indiana Department of Homeland Security	97.036	385PA4704000000	-	<u>4,974</u>
Total - Department of Homeland Security				-	<u>49,801</u>
Total federal awards expended				<u>\$ 290,627</u>	<u>\$ 2,990,235</u>

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

CLINTON 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.

CLINTON 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 program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

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

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2023-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Condition and Context

There were deficiencies in the internal control system of the County related to cash and investments, receipts, disbursements, and financial reporting related to the Redevelopment Authority and payroll disbursements of the County.

Funds for the Redevelopment Authority were omitted from the County's Annual Financial Report. Due to the lack of an effective internal controls, the financial statement presented for audit included the following errors:

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- The RDA Trustee Construction Fund understated the beginning balance by \$2,368,829, receipts by \$89,975, disbursements by \$2,292,836, and ending balance by \$165,968.
- The RDA Trustee Operations Fund understated the beginning balance by \$4,263, receipts by \$3,675, and ending balance by \$7,938.
- The RDA Trustee Sinking Fund understated the beginning balance by \$43, receipts by \$441,804, disbursements by \$439,907, and ending balance by \$1,940.

Audit adjustments were proposed, accepted by the County, and made to the financial statement.

Employees' payroll was paid without a review or oversight process to ensure the hours worked or leave time paid agreed with the employee's timesheet and Service Record. The Payroll Clerk paid employees the amount listed on the Salary Ordinance regardless of the hours worked or leave time used indicated on the employee's timesheet.

Due to the lack of effective internal controls, 2 of the 22 checks selected for payroll testing contained the following errors:

- A Deputy Director was not compensated for 1.25 hours of comp time that was deducted from the comp time listed on the Employee's Service Record, nor had the comp time been reinstated to Employee's Service Record.
- A Corrections Officer was overpaid a quarter of an hour from the LIT Correctional/ Rehabilitation Facilities fund.

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. . . ."

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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](#)."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Cause

The County did not have effective internal controls in place that would have ensured the accurate reporting of Redevelopment Authority funds in the Annual Financial Report and that the time entered into the system agreed with the employee's timesheets or Employee Service Records.

Effect

Without a proper system of internal controls that operated effectively, material misstatements of the Annual Financial Report and payroll occurred and remained undetected. Without a proper system of internal controls in place, the County improperly excluded Redevelopment Authority funds and paid employees based on the salary ordinance and not their actual time worked. Furthermore, employees were not properly paid for time worked, vacation, or other leave.

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

Repeat Finding

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

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 were not effective.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 (ALN 20.509) expenditures were overstated by \$92,948.
- The Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs Fund (ALN 20.526) expenditures were understated by \$92,948.
- The COVID-19 - Coronavirus State and Local Fiscal Recovery Fund (ALN 21.027) expenditures were overstated by \$288,080.
- Additionally, some program names and identifying numbers were incorrect or omitted from the SEFA.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

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 5-11-1-4(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](#)."

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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; . . ."

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 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.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (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."

Cause

Management of the County had not established an effective system of internal controls that would have ensured proper reporting of the SEFA.

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*.

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 - 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): CY2022
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Modified Opinion

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 on the type of recipient and the recipient's 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 metropolitan county with a population below 250,000 residents that received an allocation of less than \$10 million in COVID-19 - Coronavirus 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.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County submitted one P&E report during the audit period, which was obtained from the Treasury's website. Although one employee prepared the P&E report and another reviewed the entries, the system of internal controls was not effective in preventing, detecting, or correcting errors.

The data submitted included amounts which should not have been included and amounts which were not supported by the County's records. Errors identified included the following:

- Total Cumulative Obligations were overstated by \$907,630.
- Total Cumulative Expenditures were overstated by \$4,332,524.

The lack of effective internal controls and noncompliance were isolated to the P&E report submitted during the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Coronavirus State and Local Fiscal Recovery Funds Compliance and Reporting Guidance, page 10, states in part:

". . . **10. Reporting.** All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles. . . ."

31 CFR 35.4(c) states in part: "Reporting and requests for other information. During the period of performance, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, . . ."

Cause

Although a system of internal controls over the P&E report was designed by management, which included segregation of duties, it did not ensure that the County provided the Treasury with complete and accurate information related to the SLFRF awards. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the County's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the County.

In addition, not meeting the SLFRF reporting requirements, by reporting erroneous data, increases the likelihood that the public and the Treasury will not have access to transparent and accurate information regarding expenditures of federal awards.

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 that would ensure appropriate reviews, approvals and oversight are taking place. Additionally, management should develop 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.

FINDING 2023-004

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): CY2022
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The County elected to receive the standard revenue loss allowance, allowing it to claim its total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) allocation of \$6,293,126 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.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Prior to entering into subawards and covered transactions with federal award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods or services awarded under a nonprocurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. Verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification from that person, or adding a clause or condition to the covered transaction with that person. 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.

Covered transactions in the amount of \$1,730,492 were made during the audit period to three vendors. Of the three vendors used by the County, one vendor contract included a suspension and debarment clause. However, for the two remaining vendors, the County did not check the ELPS, nor was a certification collected from the vendors, nor was a clause in the agreements. Although the County had a policy to include a clause in vendor contracts related to covered transactions, the County did not have effective internal controls to ensure that the suspension and debarment clause was added to all the contracts.

The lack of effective internal controls and noncompliance were isolated to the two vendors noted above.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

31 CFR 19.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the *EPLS*; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

The system of internal controls established by management of the County was not properly implemented to ensure that the policies and procedures in place related to suspension and debarment resulted in adequate supporting documentation being retained for audit.

CLINTON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without the proper implementation of an effectively designed system of internal controls, the internal control system is incapable of effectively preventing, or detecting and correcting, material noncompliance. As a result, no documentation was available for the status of two vendors to whom payment equal to or in excess of \$25,000 was paid. Any program funds the County used to pay contractors that have been suspended or debarred would be unallowable, and the funding agency could potentially recover them.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management strengthen its system of internal controls to ensure that all contractors 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 contracts.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



*Clinton County Auditor's Office
Britt Ostler, Auditor
225 Courthouse Square
Frankfort, Indiana 46041
(765) 659-6330*

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDINGS 2021-001 and 2022-001

Fiscal year in which the finding initially occurred: 2019

Current Audit Period: 2023

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

Summary of Finding: Material weakness; noncompliance

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

The County had not established effective internal controls over the federal award information entered in 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 control was not effective and did not detect and allow correction of errors prior to submission.

Status of Audit Finding: Not corrected

Response Comments:

Our corrective action plan needed to be more detail oriented. We have hired a Grant Manager and now have a better understanding of grants and processes. We are setting up a spreadsheet to mimic the Gateway form for easier reporting. We've also become privy to information we can get from Intelligrants to help us navigate our grants.



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CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Financial Transactions and Reporting Summary of Finding:

There were deficiencies in the internal control system of the County related to cash and investments, receipts, disbursements, and financial reporting related to the Redevelopment Authority and payroll disbursements of the County.

Funds for the Clinton County Redevelopment Authority were omitted from the County's Annual Financial Report. Due to the lack of an effective internal control, the financial statement presented for audit included the following errors:

- The RDA Trustee Construction Fund understated the beginning balance by \$2,368,829, receipts by \$89,975, disbursements by \$2,292,836, and ending balance by 165,968.*
- The RDA Trustee Operations Fund understated the beginning balance by \$4,263, receipts by \$3,675, and ending balance by \$7,938.*
- The RDA Trustee Sinking Fund understated the beginning balance by \$43, receipts by \$441,804, disbursements by \$439,907, and ending balance by \$1,940.*

Audit adjustments were proposed, accepted by the County, and made to the financial statement.

Employees' payroll was paid without a review or oversight process to ensure the hours worked or leave time paid, agreed with the employee's timesheet and Service Record. The Payroll Clerk paid employees the amount listed on the Salary Ordinance regardless of the hours worked or leave time used indicated on the employee's timesheet.

Due to the lack of effective internal controls, two of the twenty-two checks selected for payroll testing contained the following errors:

- A Deputy Director was not compensated for 1.25 hours of Comp Time that was deducted from the Comp Time listed on the Employee's Service Record, nor has the Comp Time been reinstated to Employee's Service Record.*
- A Corrections Officer was overpaid a quarter of an hour from the LIT Correctional/Rehabilitation Facilities fund.*

Contact Person Responsible for Corrective Action: Britt Ostler
Contact Phone Number and Email Address: (765) 659-6330

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The Auditor and First Deputy are now aware that the RDA financial information needs included on the County Financial Statement. The First Deputy will prepare the financial statement and the Auditor will be reviewing and submitting it.

This issue has been brought to the attention of the Payroll Deputy. The Payroll Deputy and another employee will double check the payroll summary being turned in and compare it with the timeclock system the County utilizes and/or Employee Service Records. We will discuss with the Commissioners whether changes to the payroll policy need to be made to ensure that the policy is adhered to by all departments within the County.

Anticipated Completion Date: December 31, 2024



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CORRECTIVE ACTION PLAN

FINDING 2023-002

Finding Subject: Preparation of the Schedule of Expenditures of Federal 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.

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 (ALN 20.509) expenditures were overstated by \$92,948.*
- The Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs Fund (ALN 20.526) expenditures were understated by \$92,948.*
- The COVID-19- Coronavirus State and Local Fiscal Recovery Fund (ALN 21.027) expenditures were overstated by \$288,080.*
- Additionally, some program names and identifying numbers were incorrect or omitted from the SEFA.*

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

**Contact Person Responsible for Corrective Action: Britt Ostler
Contact Phone Number and Email Address: (765) 659-6330**

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The County will be hiring a Grant Manager to help us with this reporting. One was hired and we did learn a great deal from her, but she has since has left our employment. With the complexity of grants, we realize the County would greatly benefit from having a manager to help with reporting. The Grant Manager will be responsible for preparing the Schedule of Expenditures of Federal Awards (SEFA) entered into Gateway and the County Auditor will review prior to submission.

Anticipated Completion Date: December 31, 2024



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Frankfort, Indiana 46041
(765) 659-6330*

CORRECTIVE ACTION PLAN

FINDING 2023-003

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

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 on the type of recipient and the recipient's 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 metropolitan 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 one P&E report during the audit period, which was obtained from the Treasury's website. Although one employee prepared the P&E report and another reviewed the entries, the system of internal controls was not effective in preventing, detecting, or correcting errors.

The data submitted included amounts which should not have been included and amounts which were not supported by the County's records. Errors identified included the following:

- *Total Cumulative Obligations were overstated by \$907,630.*
- *Total Cumulative Expenditures were overstated by \$4,332,524.*

The lack of effective internal controls and noncompliance were isolated to the P&E Report submitted during the audit period.

Contact Person Responsible for Corrective Action: Britt Ostler
Contact Phone Number and Email Address: (765) 659-6330

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The County received guidance from a consultant in regards to reporting the SLFRF. The consultant had advised “if the County planned to spend \$5M, then the total cumulative “obligations” would be \$5M.

Per review of the SBOA, two figures in the 2023 P&E Report were miscalculated: Cumulative Obligations and Cumulative Expenditures. The Cumulative Obligations reported should be the amount contracted for the project plus any change orders. The Cumulative Expenditures should be the amount expended in prior years, if any, plus the amount expended until March 31st of the year the P&E Report is dated. The current period for the 2023 P&E Report covered April 1, 2022 to March 31, 2023. Future P&E Reports submitted for this grant will use this understanding of Cumulative Obligations and Cumulative Expenditures and will be prepared by the County Auditor and reviewed by a second individual prior to submission.

Anticipated Completion Date: April 1, 2025



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Britt Ostler, Auditor
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(765) 659-6330*

CORRECTIVE ACTION PLAN

FINDING 2023-004

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

Summary of Finding:

The County elected to receive the standard revenue loss allowance, allowing them to claim their total State and Local Fiscal Recovery Funds (SLFRF) allocation of \$6,293,126 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 federal award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include but are not limited to contracts for goods or services awarded under a non-procurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. Verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification from that person, or adding a clause or condition to the covered transaction with that person. 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.

Covered transactions in the amount of \$1,730,492 were made during the audit period to three vendors. Of the three vendors used by the County, one vendor contract included a suspension and debarment clause. However, for the two remaining vendors, the County did not check the EPLS, nor was a certification collected from the vendors, nor was a clause in the agreements. Although the County had a policy to include a clause in vendor contracts related to covered transactions, the County did not have effective internal controls to ensure that the suspension and debarment clause was added to all the contracts.

The lack of effective internal controls and noncompliance were isolated to the two vendors noted above.

Contact Person Responsible for Corrective Action: Britt Ostler
Contact Phone Number and Email Address: (765) 659-6330

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan:

The Suspension and Debarment clause will be added by the Commissioners/County Attorney to all contracts and/or the Commissioner's Administrative Assistant will check Sam.gov to make sure the vendor is in good standing before the Commissioner's enter into any contracts for federal grants.

Anticipated Completion Date: December 31, 2024

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/>.