

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

FLOYD COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

09/16/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
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 <i>Government Auditing Standards</i>	3-4
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	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	11-13
Notes to Schedule of Expenditures of Federal Awards.....	14
Schedule of Findings and Questioned Costs.....	15-27
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	30-36
Corrective Action Plan	37-44
Other Reports.....	45

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Diana Topping	01-01-23 to 12-31-24
County Treasurer	Steve Burks	01-01-23 to 12-31-24
Clerk of the Circuit Court	Danita Burks	01-01-23 to 12-31-24
County Sheriff	Steve Bush	01-01-23 to 12-31-24
County Recorder	Lois N. Endris	01-01-23 to 12-31-24
President of the Board of County Commissioners	Tim Kamer Dr. Al Knable	01-01-23 to 04-30-23 05-01-23 to 12-31-24
President of the County Council	Denise Konkle Danny Short	01-01-23 to 12-31-23 01-01-24 to 12-31-23



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 FLOYD 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 Floyd 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 August 27, 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, 2023-002, and 2023-003, 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, 2023-002, and 2023-003.

Floyd 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

August 27, 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 FLOYD COUNTY, INDIANA

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Floyd 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.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

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.

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.

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)

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

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004 and 2023-005. Our opinion on the major federal program is not modified with respect to these 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 2023-004 and 2023-005, 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 August 27, 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

August 27, 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.

(This page intentionally left blank.)

FLOYD 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 Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2023	\$ -	\$ 3,523
Schools Breakfast Program					
National School Lunch Program	Indiana Department of Education	10.555	FY 2023	-	11,571
National School Lunch Program					
Total - Child Nutrition Cluster				-	15,094
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Indiana State Department of Health	10.557	40010557WICAD23	-	283,083
WIC					
Total - Department of Agriculture				-	298,177
<u>Department of Commerce</u>					
Economic Development Cluster					
Investments for Public Works and Economic Development Facilities	Direct Grant	11.300	06-01-06148	-	1,174,220
EDA-Novaparke					
Total - Economic Development Cluster				-	1,174,220
Total - Department of Commerce				-	1,174,220
<u>Department of Justice</u>					
Equitable Sharing Program					
Asset Forfeiture	Direct Grant	16.922	1123-011	-	66,273
Total - Department of Justice				-	66,273
<u>Department of Transportation</u>					
Highway Planning and Construction					
Charlestown Road PE and ROW	Indiana Department of Transportation	20.205	DES 1405500	-	259,015
Bridge 51 Reconstruction			DES 1700788	-	32,533
Countywide Bridge Inventory Program for Cycle Years 2022-2025			DES 2100081	-	82,036
Total - Highway Planning and Construction				-	373,584
Interagency Hazardous Materials Public Sector Training and Planning Grants	Indiana Department of Homeland Security	20.703	693JK32240055HMEP	-	11,750
2023 HMEP					
Total - Department of Transportation				-	385,334

FLOYD 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 the Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		21.027			
COVID-19 Coronavirus	Direct Grant		FY2021	939,554	4,700,438
COVID-19 Health Issues and Challenges	Indiana State Department of Health		400ARPHLTHISSCH	-	27,489
				<u>939,554</u>	<u>4,727,927</u>
Total - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				<u>939,554</u>	<u>4,727,927</u>
Total - Department of the Treasury				<u>939,554</u>	<u>4,727,927</u>
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness	Indiana State Department of Health	93.069			
Hospital Preparedness Program			6NU90TP922052	-	3,300
Hospital Preparedness Program			NU90TP922052	-	45,241
				<u>-</u>	<u>48,541</u>
Total - Public Health Emergency Preparedness				<u>-</u>	<u>48,541</u>
Immunization Cooperative Agreements	Indiana State Department of Health	93.268			
Children's Immunization			40093268COVIM21	-	108,515
				<u>-</u>	<u>108,515</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Indiana State Department of Health	93.354			
ISHD COVID Response			NU50CK000503	-	42,737
Co Ag ISHD COVID Response			NU90TP922179	-	218,912
				<u>-</u>	<u>261,649</u>
Total - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				<u>-</u>	<u>261,649</u>
MaryLee Allen Promoting Safe and Stable Families Program	Indiana Department of Child Services	93.556			
Family First			201INFFTA	-	7,650
				<u>-</u>	<u>7,650</u>
Child Support Services	Indiana Department of Child Services	93.563			
Child Support-Prosecutor Incentive Fund			FY 2023	-	67,493
Child Support-Prosecutor			FY 2023	-	412,760
Child Support-Circuit Court			FY 2023	-	52,380
Child Support-Clerk			FY 2023	-	17,600
Child Support-Clerk Incentive Fund			FY 2023	-	8,656
Child Support-Court Incentive Fund			FY 2023	-	7,200
Child Support-Indirect Costs			FY 2023	-	110,819
				<u>-</u>	<u>676,908</u>
Total - Child Support Services				<u>-</u>	<u>676,908</u>

FLOYD 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
Foster Care Title IV-E	Indiana Public Defender Commission	93.658			
Foster Care Title IV-E			FY 2022	-	6,212
Foster Care Title IV-E			FY 2023	-	11,365
Total - Foster Care Title IV-E				-	17,577
Maternal and Child Health Services Block Grant to the States New Directions Grant	Indiana State Department of Health	93.994	21B04MC40130	-	23,773
Total - Department of Health and Human Services				-	1,144,613
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) EMA	Indiana Department of Homeland Security	97.036	385PA4515000000	-	14,361
Emergency Management Performance Grants EMPG Salary Reimbursement-2022	Indiana Department of Homeland Security	97.042	EMC-2022-EP-00005	-	49,965
EMPG Competitive Grant			EMC-2022-EP-00005	-	15,464
Total - Emergency Management Performance Grants				-	65,429
BRIC: Building Resilient Infrastructure and Communities MHMP	Indiana Department of Homeland Security	97.047	DHS-18-MT-047-000-99	-	1,457
Total - Department of Homeland Security				-	81,247
Total federal awards expended				<u>\$ 939,554</u>	<u>\$ 7,877,791</u>

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

FLOYD 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.

FLOYD 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	Unmodified

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 - County Auditor
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.

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

Financial information is required to be entered annually into the Indiana Gateway for Government Units (Gateway) financial reporting system, which is the source of the County's Annual Financial Report (AFR). Although the County Auditor input AFR data, and the Deputy County Auditor reviewed the financial information prior to submission in Gateway, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the financial information entered into Gateway was inaccurate and not reflective of the financial activity of the County's underlying records. As such, the AFR presented for audit contained the following errors:

- Supplemental financial activity for the County departments, reported to the County Auditor by each department on the Supplemental CAR-1 for inclusion in the AFR, were included with exception of the beginning balances for the ISETS-Child Support and the Odyssey funds, which were omitted. As such, the beginning cash and investment balances and ending cash and investment balances were understated a total of \$2,177,225.
- The QE Reserve Fund was not included in the financial statements. The omission understated the beginning cash and investment balance by \$331,399, receipts by \$15,472, disbursements by \$4,392, and the ending cash and investment balance by \$342,479.
- Two funds were reported with different fund names than the prior audit report due to incorrect coding when submitting the AFR.

Adjustments were proposed, accepted by the County, and made to the financial statement presented in the Financial Statement Audit Report of the County.

Criteria

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

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

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. . . .

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

The County Auditor had not established a proper system of internal controls to ensure the accurate and complete submission of the AFR. Errors were included in the financial information input into Gateway by the County Auditor, and the Deputy County Auditor's review of the financial information did not identify the errors.

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the financial information entered into the Gateway occurred and remained undetected. Errors in the financial information entered into Gateway could lead to a material misrepresentation of the County's financial position as reported in the AFR.

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: Financial Transactions and Reporting - County Treasurer
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-003.

Condition and Context

The County Treasurer had not designed and implemented internal controls to ensure that financial information presented to the County Auditor for inclusion in the County's Annual Financial Report (AFR) was accurate, that the monthly bank reconciliations were complete and accurate, or that financial activity was properly recorded.

Due to the lack of effective internal controls the following errors were identified:

- The Supplemental CAR-1 report submitted by the County Treasurer to the County Auditor for inclusion in the financial information submitted into the Indiana Gateway for Government Units (Gateway) financial reporting system was reported incorrectly. The beginning cash and investment balances and disbursements were overstated by \$803,571 and \$803,921, respectively. Adjustments to the Supplemental CAR-1 report were proposed and accepted by the County Treasurer. Adjustments to the financial information in Gateway were also proposed and accepted by the County Auditor.

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- Monthly bank reconcilements were not properly completed for 11 of the Treasurer's bank accounts tested. In total, the County had 14 bank accounts through the course of the audit period which should have been reconciled monthly to the County's ledgers. Of the 168 monthly reconcilements required during the audit period, 28 were selected for testing. Of the 28 tested, 11 did not have a properly completed bank reconciliation.
- A comparison of the County Treasurer's Daily Balance of Cash Depositories, Form 47 (Cash Book) to the bank depository account on December 31, 2023, indicated an unidentified cash short of \$501,541.
- A monthly reconciliation of the record balance with the County Auditor on County Form No. 61, Monthly Financial Statement was not properly performed. Variances existed each month between the amount reported by the County Auditor and that were reported by the County Treasurer in the Cash Book. At December 31, 2023, the County Treasurer reported \$210,196 more than the balance reported by the County Auditor.
- One Auditor of State distribution was not recorded in the financial records timely. The receipt for \$227,194 was recorded on October 26, 2023, 63 days late.

Criteria

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

Indiana Code 5-13-5-1(a) states:

"Every public officer who receives or distributes public funds shall:

- (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and
- (2) balance the cashbook daily to show funds on hand at the close of each day."

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. . . ."

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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. For example, the recorder's office may maintain a cashbook and an outside bank account, but those receipts are turned over monthly and accounted for monthly in the auditor's system and so would not be reported on the supplemental annual report, even that portion at year end that has yet to be remitted to the county auditor's office. (County Bulletins and Uniform Compliance Guidelines, December 2023)

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 County Treasurers of Indiana, Chapter 1)

The Treasurer's Daily Balance of Cash and Depositories, Form 47, is the record prescribed to enable the treasurer to comply with IC 5-13-5-1. It reflects the daily receipts and disbursements, total amount of cash and investments on hand, and a proof of the financial condition of the office at the close of each day. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

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 Monthly Financial Statement, Form 61, is a permanent record prepared from the treasurer's funds ledger at the close of each month. It is prepared after all postings to the ledger have been completed for the month and reflects the total receipts and disbursements and the balance for each fund for the month and for the year to date. The statement must agree with a similar statement kept by the county auditor, giving consideration to any adjustments required to reconcile the ledgers of the two offices. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

Cause

The County Treasurer had not established and implemented a proper system of internal controls over financial transactions and reporting to ensure accurate financial information was presented to the County Auditor, that bank reconciliements were completed properly, and that financial transactions were recorded properly.

Effect

Without a proper system of internal controls in place, the County's AFR contained errors, and the County Treasurer's monthly depository reconciliements did not properly identify differences between the depository and fund balances. In addition, without a properly completed depository reconciliation, the County's financial statement could be incomplete and contain uncorrected misstatements, which may mislead end users of the County's financial statement.

Views of Responsible Officials

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

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2023-003

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

Repeat Finding

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

Condition and Context

The County Sheriff had not designed or implemented an effective system of internal controls over financial transactions and reporting to prevent, or detect and correct, errors. The following issues were identified:

- Internal controls were not in place to verify financial reports contained all financial activity and that the financial activity was properly reported. Financial reports for the Jail Commissary and Sheriff's Inmate Trust, presented for audit to support the supplemental financial report, Supplemental CAR-1, completed by the department for inclusion in the County's Annual Financial Report (AFR), did not support the amounts reported. The beginning cash and investments balance on the financial report presented for audit was not in agreement with the prior year ending cash and investments balance and did not include activity for one of the commissary fund accounts. In addition, financial reports detailing transactions and providing summarized totals were not in agreement with one another and in some instances were not mathematically correct. When the issues identified were brought to the County Sheriff's Director of Financial Operations attention, the software vendor was contacted, and it was determined that the software company would review the process to determine the cause of the variance.
- The County Sheriff had not separated incompatible activities related to financial transactions and reporting. Bank reconciliements were performed by one individual with no indication of oversight or review to prevent, or detect and correct, errors. The same individual was also responsible for recording transactions and issuing checks.
- Internal controls in place over the recording and approving of adjustments made to the financial records were insufficient as documentation to support the adjustments did not provide an explanation as to the reason for the adjustment to ascertain the validity of the adjustment.
- Internal controls were not properly documented for the reconciliation of receipts issued with collections on hand. Although the County Sheriff's procedures required monies to be counted by two individuals and reconciled with the receipts, with both individuals signing the collections report verifying the accuracy, documentation reviewed only showed one employee signature.
- Internal controls were not in place to ensure inmate trust and commissary collections were deposited in a timely manner. Daily collections for 53 days were selected for testing. The testing identified 12 instances in which collections were deposited 7 days or more after the receipt of funds. In 1 instance, collections were not deposited until 34 days after being received.

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- Internal controls over disbursements documenting the approval of purchases and verifying purchases made from commissary funds followed IC 36-8-10-21. In addition, internal controls were not in place to ensure proper documentation was retained to support disbursements made. As such, for 10 percent of the disbursement transactions reviewed, either information was not retained to support the disbursement transaction, or the disbursement was for activity not authorized by IC 36-8-10-21.

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): . . .

- (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 36-8-10-21 states:

"(a) This section applies to any county that has a jail commissary that sells merchandise to inmates.

(b) A jail commissary fund is established, referred to in this section as "the fund". The fund is separate from the general fund, and money in the fund does not revert to the general fund.

(c) The sheriff, or the sheriff's designee, shall deposit all money from commissary sales into the fund, which the sheriff or the sheriff's designee shall keep in a depository designated under [IC 5-13-8](#).

(d) The sheriff, or the sheriff's designee, at the sheriff's or the sheriff's designee's discretion and without appropriation by the county fiscal body, may disburse money from the fund for:

- (1) merchandise for resale to inmates through the commissary;
- (2) expenses of operating the commissary, including, but not limited to, facilities and personnel;
- (3) special training in law enforcement for employees of the sheriff's department;
- (4) equipment installed in the county jail;

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (5) equipment, including vehicles and computers, computer software, communication devices, office machinery and furnishings, cameras and photographic equipment, animals, animal training, holding and feeding equipment and supplies, or attire used by an employee of the sheriff's department in the course of the employee's official duties;
- (6) an activity provided to maintain order and discipline among the inmates of the county jail;
- (7) an activity or program of the sheriff's department intended to reduce or prevent occurrences of criminal activity, including the following:
 - (A) Substance abuse.
 - (B) Child abuse.
 - (C) Domestic violence.
 - (D) Drinking and driving.
 - (E) Juvenile delinquency;
- (8) expenses related to the establishment, operation, or maintenance of the sex and violent offender registry web site under [IC 36-2-13-5.5](#); or
- (9) any other purpose that benefits the sheriff's department that is mutually agreed upon by the county fiscal body and the county sheriff.

Money disbursed from the fund under this subsection must be supplemental or in addition to, rather than a replacement for, regular appropriations made to carry out the purposes listed in subdivisions (1) through (8).

(e) 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."

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. . . .

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

The 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. For example, the recorder's office may maintain a cashbook and an outside bank account, but those receipts are turned over monthly and accounted for monthly in the auditor's system and so would not be reported on the supplemental annual report, even that portion at year end that has yet to be remitted to the county auditor's office. (County Bulletins and Uniform Compliance Guidelines, December 2023)

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)

Cause

The County Sheriff had not established a proper system of internal controls over cash and investments balances, receipts, disbursements, and financial close and reporting. Internal controls were not in place to ensure depository reconcilements, adjustments, daily collections, and disbursements were properly accounted for.

Effect

Without a proper system of internal controls in place, the County Sheriff's department did not properly identify and correct internal control deficiencies and noncompliance within cash and investments balances, receipts, disbursements, and financial close and reporting. In addition, due to the lack of proper internal controls, the County Sheriff's financial statement could be incomplete and contain uncorrected misstatements, which may mislead end users of the County's financial statements.

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 2023-004

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: Department of the Treasury
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Assistance Listings Number: 21.027
Federal Award Number and Year (or Other Identifying Number): FY2021
Pass-Through Entity: Indiana Department of Health
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-005.

Condition and Context

Recipients are required quarterly or annually to submit Project and Expenditure (P&E) reports to the U.S. Department of the Treasury (Treasury). The reporting periods, as well as the respective due dates, are based upon type of recipient and its population, as well as the recipient's allocation amount. Information to be reported includes projects funded, expenditures, and contracts for the appropriate reporting period.

The County was classified as a county with a population below 250,000 residents that are allocated more than \$10 million in COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF). As such, the P&E quarterly reports were to cover one calendar quarter and must be submitted to the Treasury by the last day of the month following the end of the period covered.

The County's current policy and procedure for complying with reporting requirements is to have the Director of Operations prepare the P&E reports with assistance from his Administrative Assistant, and then the President of the Board of County Commissioners certifies the reports. The current internal control has been determined to be ineffective since the P&E reports do not agree with the County's financial records.

The County submitted four P&E reports during the audit period; however, the errors, as identified below, were noted on all four reports.

- *Quarterly Report: October 1, 2022 to December 31, 2022*

Current period expenditures reported 7 projects with errors totaling \$77,234. Cumulative expenditures reported 22 projects with errors totaling \$3,955,669.

- *Quarterly Report: January 1, 2023 to March 31, 2023*

Current period expenditures reported 7 projects with errors totaling \$173,169. Cumulative expenditures reported 25 projects with errors totaling \$2,633,217.

- *Quarterly Report: April 1, 2023 to June 30, 2023*

Current period expenditures reported 2 projects with errors totaling \$0, since expenditures were posted to the incorrect project. Cumulative expenditures reported 24 projects with errors totaling \$2,372,744.

- *Quarterly Report: July 1, 2023 to September 30, 2023*

Current period expenditures reported 3 projects with errors totaling \$13,412. Cumulative expenditures reported 26 projects with errors totaling \$2,273,749.

The lack of effective internal controls and noncompliance were systemic issues throughout the entire audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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

31 CFR 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 use of funds."

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, compliance financial data, in accordance with appropriate accounting standards and principles. . . ."

Cause

The County's oversight process for filing the P&E reports did not detect errors. The errors were the result of including expenditures from the incorrect time periods.

Effect

Without the proper implementation of an effectively designed system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. As such, the County did not report cumulative expenditures and current period expenditures properly when filing the P&E reports during the audit period.

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 increases the likelihood that the public 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 strengthen its system of internal controls to provide for a segregation of duties in the preparation and review of federal reports to ensure appropriate reviews, approvals, and oversight are taking place. We also recommended the development of policies and procedures to ensure the County provides the Treasury with complete and accurate information for the P&E reports.

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2023-005

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Subrecipient Monitoring
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): FY2021
Pass-Through Entity: Indiana Department of Health
Compliance Requirement: Subrecipient Monitoring
Audit Findings: Material Weakness, Other Matters

Condition and Context

The County expended \$4,727,927 in COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) during the audit period. Of that amount, \$939,554 was passed through to two subrecipients.

As a pass-through entity, the County was required to identify the award and applicable requirements and monitor the subrecipients. Procedures to monitor its subrecipients included reviewing the quarterly financial and performance reports as required by the County through the Subrecipient Agreements.

Both subrecipients submitted quarterly reports for Quarter 2 of 2023, covering the time period from April 1 through June 30. No other quarterly financial and performance reports were submitted to the County during the fiscal year. As part of the monitoring the County performed on the subrecipients in March 2023, it noted the subrecipients had been missing quarterly reports. Despite communications made by the County to obtain the missing quarterly reports, no other quarterly reports were submitted by the subrecipients.

The lack of effective internal controls and noncompliance were systemic issues throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

FLOYD COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.332(d) states in part:

"Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing the financial and performance reports required by the pass-through entity.
..."

Cause

The County's agreements with the subrecipients included reporting requirements, but no procedures were in place to ensure timely and appropriate reporting occurred. The County's oversight process for monitoring subrecipient financial and performance reporting for the audit period did not include adequate follow-up procedures to ensure that required reports were submitted. Subrecipients did not submit the quarterly reports as requested by the County.

Effect

Without the proper implementation of an effectively designed system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. The lack of sufficient internal controls resulted in the County only receiving one of the required quarterly financial and performance reports from its subrecipients during the year.

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 subrecipient monitoring requirements increases the likelihood that County officials and the public 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 strengthen its system of internal controls to ensure that subrecipients are submitting their financial and performance reports timely and accurately, so that the County can comply with the Subrecipient Monitoring compliance requirement.

Views of Responsible Officials

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

(This page intentionally left blank.)

AUDITEE-PREPARED DOCUMENTS

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



Diana M. Topping
Floyd County Auditor

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001 and 2021-001

Fiscal year in which the finding initially occurred: 2012

Current Audit Period: 2023

Finding Subject: Financial Transactions and Reporting - County Auditor

Summary of Finding:

Although the County hired a consultant to assist with information entered in Gateway, and the County Auditor reviewed and approved the information entered, the internal control were not effective and did not detect and allow correction of errors prior to submission. Due to the lack of effective internal controls, the financial information entered into Gateway was inaccurate and not reflective of the financial activity of the County's underlying records. As such, the AFR presented for audit contained errors due to omitting all the CAR-1s for the county and a number of funds had incorrect coding.

Status of Audit Finding: Partially Corrected

Response Comments:

An SOP was created and all sections were checked and re-checked by both the Auditor and Chief Deputy. The CAR-1s were included this year, but a beginning balance for one was missed and there were some errors that failed to be corrected.



Diana M. Topping
Floyd County Auditor

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-002 and 2021-002

Fiscal year in which the finding initially occurred: 2012
Current Audit Period: 2023

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

Summary of Finding:

The County failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's Schedule of Expenditure of Federal Awards (SEFA). Although the County hired a consultant to assist with information entered in Gateway, and the County Auditor 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: *Fully Corrected and the original corrective action was implemented*

City-County Bldg. 311 Hauss Square, RM 119, New Albany, Indiana 47150
Phone: 812-948-5435 opt.7
dtopping@floydcounty.in.gov
www.floydcounty.in.gov



Steve D. Burks
Floyd County Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-003 and 2021-003

Fiscal year in which the finding initially occurred: 2013

Current Audit Period: 2023

Summary of Findings: The County Treasurer had not designed and implemented internal controls to ensure that the monthly bank reconciliations were complete and accurate or that financial activity was properly recorded.

1. Bank reconciliations were not properly completed for three of the County Treasurer's bank accounts during 2021 and five of the County Treasurer's bank accounts during 2022.
2. One bank account was not listed in the County Treasurer's Daily Balance of Cash Depositories, Form 47 (Cash Book), nor included in the County Treasurer's bank reconciliation during 2022.
3. The outstanding check list used in the reconciliations contained errors.
4. A comparison of the Cash Book to the bank depository accounts on December 31, 2021, indicated an unidentified cash short of \$598,933 and as of December 31, 2022, indicated an unidentified cash short of \$516,180.
5. A monthly reconciliation of the record balance with the County Auditor on County Form No. 61, Monthly Financial Statement was not properly performed.

Status of Audit Finding: Partially Corrected

Response Comments:

1. Corrective action is ongoing, we will be making sure all interest is recorded and reconciled and there are no bank charges appearing on these accounts. We will continue to have a twostep reconciliation process. The second deputy will reconcile accounts, and the chief deputy will follow up check that work. If there are any discrepancies, they are informed to immediately bring it to the treasurer's attention so proper reconciliation can continue.
2. This item is corrected.
3. This item is corrected.

4. Corrective action is ongoing, The bank account referenced has been dormant because we are in the process of closing said bank accounts, that process should be completed by the end of this year 2024 at which time we will approach the county council and get permission to take any outstanding balances from any dormant account and roll them into our active accounts.
5. Corrective action is ongoing, we are in the process of using new software that has an actual no. 61 form. It is part of the financial piece that is being implemented. Once that financial piece is implemented, we will reconcile with the county auditor. Until that is implemented, we continue to use the forms we have created and note in discrepancies between the auditor's office and the treasurer's office.

Best Regards

Steve Burks



Floyd County Treasurer
311 Hauss Square
New Albany In 47150
sburks@floydcounty.in.gov
812.948.5477

FLOYD COUNTY SHERIFF'S OFFICE

STEVE BUSH | FLOYD COUNTY SHERIFF



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-004

Fiscal year in which the finding initially occurred-2022

Current Audit Period: 2023

Finding Subject: Financial Transaction and Reporting - County Sheriff

Summary of Finding:

The County Sheriff had not designed or implemented an effective system of internal controls over financial transactions and reporting to prevent, or detect and correct errors. The following issues were identified:

- 1. Internal controls were not in place to verify financial reports contained all financial activity and that the financial activity was properly reported. Financial reports presented for audit did not support the Supplemental CAR-1 used for the County's annual financial report.*
- 2. The County Sheriff had not separated incompatible activities related to financial transactions and reporting. Bank reconciliations were performed without oversight or review from a second person.*
- 3. Internal controls in place over recording and approving of adjustments made to financial reports were insufficient as documentation to support the adjustments did not provide an explanation as to the reason for the adjustment.*
- 4. Internal controls were not properly documented for the reconciliation of receipts issued with collections on hand. The County Sheriff required monies to be counted by two individuals and reconciled with receipt with both individuals signing the corrections report, documentation reviewed only showed one employee.*
- 5. Internal controls were not in place to ensure monies were deposited in a timely manner. 8 instances were identified of monies deposited 7 or more days after receipt of funds.*
- 6. Internal controls over disbursements documenting the approval of purchases; verifying purchases made from commissary funds followed Indiana Code 36-8-10-21; and verification of the receipt of goods or services prior to payment of invoices were not in place. In addition, internal controls were not in place to ensure proper documentation was retained to support disbursements made.*

Status of Audit Finding: Not Corrected

Response Comments:

1. When reviewing the CAR-1, TIGER CORRECTIONAL SERVICES, Software vendor for creating, monitoring and operationally managing Commissary activities (software), has assisted the Floyd County Sheriff's Office by assigning engineers to write compliance software to meet the requirements of State Board of Accounts.

The CAR 1 has been reviewed and the TIGER CORRECTIONAL FACILITY software engineers have updated with a version patch 2.14 that was installed to comply with the Audit Recommendations in July 2024. Director of Financial Operations will prepare Supplemental CAR-1 and supporting software reports will be provided and Sheriff/or his Chief Deputy will review and approve.

311 HAUSS SQUARE - NEW ALBANY, INDIANA 47150

WWW.FCSDIN.ORG 

Contact Us:

Dispatch
812-948-5400

Administration
812-542-3042

Investigations
812-948-5407

Corrections
812-948-5404

Fax
812-948-5409

FLOYD COUNTY SHERIFF'S OFFICE

STEVE BUSH | FLOYD COUNTY SHERIFF



2. All financial activities are separated with prejudice to efficiency and timeliness. Bank reconciliations are completed timely to resolve identified issues/discrepancies. They will be reviewed upon completion, by the Sheriff/or his Chief Deputy, Floyd County Sheriff's Office. All posted reconciliations will be on a shared drive, only viewable by Sheriff, Chief, and Director Financial Operations. Once reconciled, reconciled documents will be posted to the transparency portal – Gateway. Director of Financial Operations will prepare monthly bank reconciliation and Sheriff/Chief Deputy will review and approve.

3. All adjustments, moving forward from August 2024, will include any adjustment documentation and appropriate comments/note of correction. Director of Financial Operations will present reconciliations and any made adjustments to Sheriff/Chief Deputy for review and approval.

4. Internal controls over receipt reporting, as recommended by SBOA-having two persons count independently, funds being deposited-and signing off on the daily receipt. The jail Matron will be responsible for the activity of collecting, verifying to the generated reports from the TIGER SOFTWARE, with a Platoon Sergeant to collect and verify the count. Deposits posted to the software and recorded by the Bank are reconciled monthly by the Director Finance.

5. The identified time lag of deposits have shown that weekends, holidays, and a combination of a "long" weekend, (weekend attached to a Holiday) as well as paid time off for the Matron contributed to these situations. A gun qualified Officer must accompany each deposit as it is hand carried to the local bank. Timely deposits of all funds will be monitored by the Director of Financial Operations. Deposits will be prepared by the Jail Matron, and reviewed and initialed by the Platoon Sergeant, and funds will be deposited same day. Each deposit ticket on file for the prior days work, after being compiled, reviewed will contain the appropriate 2 reviewing signatures. Bank acceptance notice will be attached to the prepared deposit ticket.

6. Purchase documentation will include a comment to the Governed statute for all purchases effective August 2024. A comment/note will accompany the documentation. Director of Financial Operations will present purchases for approval to Sheriff/Chief Deputy/Colonel verifying purchases comply with IC 36-8-10-21.

Respectfully Submitted

Sheriff Steve Bush

311 HAUSS SQUARE - NEW ALBANY, INDIANA 47150

WWW.FCSDIN.ORG 

Contact Us:	Dispatch 812-948-5400	Administration 812-542-3042	Investigations 812-948-5407	Corrections 812-948-5404	Fax 812-948-5409
--------------------	---------------------------------	---------------------------------------	---------------------------------------	------------------------------------	----------------------------

FLOYD COUNTY, INDIANA
Director of Operations and County Planning

2524 Corydon Pike
Pine View Government Center Room 202
New Albany, Indiana 47150
Phone (812) 948.4110 Fax (812) 948.4744

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-005

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 2023

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

Summary of Finding: The County had not properly designed a system of internal controls that would be effective in preventing, or detecting and correcting noncompliance. Errors were identified in all four quarterly reports.

Status of Audit Finding: Not Corrected

Response Comments:

As Director of Operations and Planning, the American Rescue Plan quarterly reports are submitted through the office. During the last two audit, it appears data input errors have occurred with the reporting of total expenditures. The initial corrective action of review was not sufficient to correct the data input errors.

During the recent July 2024 quarterly report, staff reviewed the items on line and believe that all reporting has been corrected. Starting with the September reporting, two staff members will review the data inputted into the US Treasury system to ensure the data is correct before submission to President for signature.



Diana M. Topping
Floyd County Auditor

CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Financial Transactions and Reporting - County Auditor

Summary of Finding:

Due to the lack of effective internal controls, the financial information entered into Gateway was inaccurate and not reflective of the financial activity of the County's underlying records. As such, the AFR presented for audit contained the following errors:

- Supplemental financial activity for the county departments reported to the County Auditor by each department on the Supplemental CAR-1 for inclusion in the AFR were included with exception of the beginning balances for ISETS-Child Support and Odyssey which were omitted. As such, the beginning cash and investment balances and ending cash and investment balances were understated a total of \$2,177,225.
- The QE Reserve Fund was not included in the financial statements. The omission understated the beginning cash and investment balance by \$331,399, receipts by \$15,472, disbursements by \$4,392, and the ending cash and investment balance by \$342,479.
- Two funds were reported with different fund names than the prior audit report due to incorrect coding when submitting the AFR.

Contact Person Responsible for Corrective Action: Diana M. Topping, County Auditor

Contact Phone Number and Email Address: 812-948-5435 and dtopping@floydcounty.in.gov

Views of Responsible Officials:

We concur with the findings

Description of Corrective Action Plan:

We will continue to work on accuracy for our AFR reporting by not only having a secondary review of the reporting from the Chief Deputy, but working through the backup documentation as a team as well in an effort to not miss any key information. Additionally the coding in our system will continue to be cleaned up so that a clear and consistent reporting can be established and maintained.

Anticipated Completion Date:

2/28/2025

City-County Bldg. 311 Hauss Square, RM 119, New Albany, Indiana 47150

Phone: 812-948-5435 opt.7

dtopping@floydcounty.in.gov

www.floydcounty.in.gov



Steve D. Burks
Floyd County Treasurer

CORRECTIVE ACTION PLAN

FINDING 2023-002

Finding Subject: Financial Transactions and Reporting – County Treasurer

Summary of Finding: The County Treasurer had not designed and implemented internal controls to ensure that the monthly bank reconciliations were complete and accurate, or that financial activity was properly recorded.

Due to the lack of effective internal controls the following errors were identified:

- The Supplemental CAR-1 report submitted by the County Treasurer to the County Auditor for inclusion in the financial information submitted into the Indiana Gateway for Government Units Financial Reporting System (Gateway) was reported incorrectly. The beginning cash and investment balances and disbursements were overstated by \$803,571 and \$803,921, respectively. Adjustments to the Supplemental CAR-1 report were proposed and accepted by the County Treasurer. Adjustments to the financial information in the Gateway were also proposed and accepted by the County Auditor.
- Monthly bank reconciliations were not properly completed for 11 of the Treasurer's bank accounts tested. In total, the County had 14 bank accounts through the course of the audit period which should have been reconciled monthly to the County's ledgers. Of the 168 monthly reconciliations required during the audit period, 28 were selected for testing. 11 of 28 tested, did not have a properly completed bank reconciliation.
- A comparison of the County Treasurer's Daily Balance of Cash Depositories, Form 47 (Cash Book) to the bank depository account on December 31, 2023, indicated an unidentified cash short of \$501,541.
- A monthly reconciliation of the record balance with the County Auditor on County Form No. 61, Monthly Financial Statement was not properly performed. Variances existed each month between the amount reported by the County Auditor and that reported by the County Treasurer in the Cash Book. At December 31, 2023 the County Treasurer reported \$210,196 more than the balance reported by the County Auditor.
- One Auditor of State distribution was not recorded in the financial records timely. The receipt was recorded for \$227,194 on October 26, 2023, 63 days late.

Contact Person Responsible for Corrective Action: Steve D. Burks

Contact Phone Number and Email Address: 812-948-5477 and sburks@floydcounty.in.gov

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

- *Supplemental CAR-1 Report reported incorrectly* – The chief deputy will complete car 1, the treasurer will confirm the numbers and then submit to the auditor. The accounts represented in this finding are in the process of being closed.
- *Monthly Bank Reconcilements not properly completed*- The reconciliation manager will complete his /her work, then it will be submitted to the chief deputy for inspection, at which time the treasurer will confer with the chief deputy to check all work.
- *Comparison of the County Treasurer's Daily Balance of Cash Depositories, Form 47 (Cash Book) to the bank depository account unidentified cash short \$501,541.* – The reconciliation manager will insure outages remain consistent as we work with council to close affected accounts within this finding.
- *Monthly reconciliation of the record balance with the County Auditor on County Form No. 61, Monthly Financial Statement was not properly performed* - We are in the process of using new software that has an actual no. 61 form. It is part of the financial piece that is being implemented. Once that financial piece is implemented, we will reconcile with the county auditor. Until that is implemented, we continue to use the forms we have created and note in discrepancies between the auditor's office and the treasurer's office.
- *Auditor of State Distribution was not recorded in financial records (Cash book) timely* - Closer attention will be payed to communication from Indiana Comptroller's office to ensure receipts are recorded in a timely fashion.

Anticipated Completion Date:

The planned completion for the above findings and action plan is August 2025.

FLOYD COUNTY SHERIFF'S OFFICE

STEVE BUSH | FLOYD COUNTY SHERIFF



CORRECTIVE ACTION PLAN

FINDING 2023-003

Finding Subject: Financial Transactions and Reporting – County Sheriff

Summary of Finding: The County Sheriff had not designed or implemented an effective system of internal controls over financial transactions and reporting to prevent, or detect and correct, errors. The following issues were identified:

- Internal controls were not in place to verify financial reports contained all financial activity and that the financial activity was properly reported. Financial reports for the Sheriff commissary and inmate trust presented for audit to support the supplemental financial report, Supplemental CAR-1, completed by the department for inclusion in the County's Annual Financial Report (AFR), did not support the amounts reported. The beginning cash and investments balance on the financial report presented for audit was not in agreement with the prior year ending cash and investments balance and did not include activity for one of the Commissary fund accounts. In addition, financial reports detailing transactions and providing summarized totals were not in agreement with one another and in some instances were not mathematically correct. When the issues identified were brought to the County Sheriff's Director of Financial Operations attention, the software vendor was contacted, and it was determined that the software company would review the process to determine the cause of the variance.
- The County Sheriff had not separated incompatible activities related to financial transactions and reporting. Bank reconciliations were performed by one individual with no indication of oversight or review to prevent or detect and correct errors. The same individual was also responsible for recording transactions and issuing checks.
- Internal controls in place over the recording and approving of adjustments made to the financial records were insufficient as documentation to support the adjustments did not provide an explanation as to the reason for the adjustment to ascertain the validity of the adjustment.
- Internal controls were not properly documented for the reconciliation of receipts issued with collections on hand. Although the County Sheriff's procedures required monies to be counted by two individuals and reconciled with the receipts, with both individuals signing the collections report verifying the accuracy, documentation reviewed only showed one employee signature.
- Internal controls were not in place to ensure inmate trust and commissary collections were deposited in a timely manner. Daily collections for 53 days were selected for testing. The testing identified 12 instances in which collections were deposited 7 days or more after the receipt of funds. In one instance collections were not deposited until 34 days after being received.
- Internal controls over disbursements documenting the approval of purchases and verifying purchases made from commissary funds followed IC 36-8-10-21. In addition, controls were not in place to ensure proper documentation was retained to support disbursements made. As such, for ten percent of the disbursement transactions reviewed either information was not retained to support the disbursement transaction, or the disbursement was for activity not authorized by IC 36-8-10-21.

311 HAUSS SQUARE - NEW ALBANY, INDIANA 47150

WWW.FCSDIN.ORG 

Contact Us:	Dispatch	Administration	Investigations	Corrections	Fax
	812-948-5400	812-542-3042	812-948-5407	812-948-5404	812-948-5409

FLOYD COUNTY SHERIFF'S OFFICE

STEVE BUSH | FLOYD COUNTY SHERIFF



Contact Person Responsible for Corrective Action: Sheriff Steve Bush
Contact Phone Number and Email Address: 812-948-4732 sbush@fcsdin.net

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

- *Supplemental CAR-1 Report reported incorrectly* – When reviewing the CAR-1, TIGER CORRECTIONAL SERVICES, Software vendor for creating, monitoring and operationally managing Commissary activities (software), has assisted the Floyd County Sheriff's Office by assigning engineers to write compliance software to meet the requirements of State Board of Accounts. The CAR 1 has been reviewed and the TIGER CORRECTIONAL FACILITY software engineers have updated with a version patch 2.14 that was installed to comply with the Audit Recommendations in July 2024. Director of Financial Operations will prepare Supplemental CAR-1 and supporting software reports will be provided and Sheriff/or his Chief Deputy will review and approve.
- *Monthly Bank Reconcilements are performed by one individual with no indication of oversight or review-*. All financial activities are separated with prejudice to efficiency and timeliness. Bank reconciliations are completed timely to resolve identified issues/discrepancies. They will be reviewed upon completion, by the Sheriff/or his Chief Deputy, Floyd County Sheriff's Office. All posted reconciliations will be on a shared drive, only viewable by Sheriff, Chief, and Director Financial Operations. Once reconciled, reconciled documents will be posted to the transparency portal – Gateway. Director of Financial Operations will prepare monthly bank reconciliation and Sheriff/Chief Deputy will review and approve.
 - *One individual is responsible for recording transactions and issuing checks* – Transactions and Checks will be approved for issuance by Sheriff or his designee-Chief Deputy, provided by the Director Finance.
- *Internal controls in place over the recording and approving adjustments made to financial records- were insufficient* - All adjustments, moving forward from August 2024, will include any adjustment documentation and appropriate comments/note of correction. Director of Financial Operations will present reconciliations, and any made adjustments to Sheriff/Chief Deputy for review and approval.
- *Internal controls were not properly documented for the reconciliation of receipts issued with collections on hand.* - Internal controls over receipt reporting, as recommended by SBOA-having two persons count independently, funds being deposited-and signing off on the daily receipt. The jail Matron will be responsible for the activity of collecting, verifying to the generated reports from the TIGER SOFTWARE, with a Platoon Sergeant to collect and verify the count. Deposits posted to the software and recorded by the Bank are reconciled monthly by the Director Finance.
- *Internal controls were not in place to ensure inmate trust and commissary collections were deposited in a timely manner.* Timely deposits of all funds will be monitored by the Director of Financial Operations. Deposits will be prepared by the Jail Matron, and reviewed and initialed by the Platoon Sergeant, and funds will be deposited

311 HAUSS SQUARE - NEW ALBANY, INDIANA 47150

WWW.FCSDIN.ORG 

Contact Us:	Dispatch	Administration	Investigations	Corrections	Fax
	812-948-5400	812-542-3042	812-948-5407	812-948-5404	812-948-5409

FLOYD COUNTY SHERIFF'S OFFICE

STEVE BUSH | FLOYD COUNTY SHERIFF



same day. Each deposit ticket on file for the prior days work, after being compiled, reviewed will contain the appropriate 2 reviewing signatures. Bank acceptance notice will be attached to the prepared deposit ticket.

- *Internal controls over disbursements documenting the approval of purchases; verifying purchases made from commissary funds followed IC 36-8-10-21.*- Purchase documentation will include a comment to the Governed statute for all purchases effective August 2024. A comment/note will accompany the documentation. Director of Financial Operations will present purchases for approval to Sheriff/Chief Deputy/Colonel verifying purchases comply with IC 36-8-10-21.
 - *Internal controls were not in place to ensure proper documentation was retained to support disbursements made* - Director of Financial Operations will present purchases for approval to Sheriff/Chief Deputy/Colonel verifying purchases and complete documentation is provided and complies with IC 36-8-10-21

Anticipated Completion Date: August 2024

Sheriff Steve Bush
Floyd County Sheriff
311 Hauss Square
New Albany IN 47150
812-948-5400
sbush@fcsdin.net

311 HAUSS SQUARE - NEW ALBANY, INDIANA 47150

WWW.FCSDIN.ORG 

Contact Us:	Dispatch 812-948-5400	Administration 812-542-3042	Investigations 812-948-5407	Corrections 812-948-5404	Fax 812-948-5409
--------------------	---------------------------------	---------------------------------------	---------------------------------------	------------------------------------	----------------------------

FLOYD COUNTY, INDIANA
Director of Operations and County Planning

2524 Corydon Pike
Pine View Government Center Room 202
New Albany, Indiana 47150
Phone (812) 948.4110 Fax (812) 948.4744

CORRECTIVE ACTION PLAN

FINDING 2023-004

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

The County submitted four P&E reports during the audit period; however, the errors as identified below were noted on all four reports.

- *Quarterly Report: October 1, 2022 to December 31, 2022*
Current period expenditures reported 7 projects with errors totaling \$77,234.
Cumulative expenditures reported 22 projects with errors totaling \$3,955,669.
- *Quarterly Report: January 1, 2023 to March 31, 2023*
Current period expenditures reported 7 projects with errors totaling \$173,169.
Cumulative expenditures reported 25 projects with errors totaling \$2,633,217.
- *Quarterly Report: April 1, 2023 to June 30, 2023*
Current period expenditures reported 2 projects with errors totaling \$0, since expenditures were posted to the incorrect project. Cumulative expenditures reported 24 projects with errors totaling \$2,372,744.
- *Quarterly Report: July 1, 2023 to September 30, 2023*
Current period expenditures reported 3 projects with errors totaling \$13,412.
Cumulative expenditures reported 26 projects with errors totaling \$2,273,749.

Contact Person Responsible for Corrective Action: Don Lopp, Director of Operations and County Planning

Contact Phone Number and Email Address: 812-948-4110 and dlopp@floydcounty.in.gov

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

As Director of Operations and Planning, the American Rescue Plan quarterly reports are submitted through the office. During the last two audit, it appears data input errors have occurred with the reporting of total expenditures. The initial corrective action of review was not sufficient to correct the data input errors.

During the recent July 2024 quarterly report, staff reviewed the items on line and believe that all reporting has been corrected. Starting with the September reporting, two staff members will review the data input

Anticipated Completion Date: September 2024 – For the third quarter reporting period.

FLOYD COUNTY, INDIANA
Director of Operations and County Planning

2524 Corydon Pike
Pine View Government Center Room 202
New Albany, Indiana 47150
Phone (812) 948.4110 Fax (812) 948.4744

CORRECTIVE ACTION PLAN

FINDING 2023-005

Finding Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Subrecipient Monitoring

Summary of Finding:

Both of the County's subrecipients submitted quarterly reports for Quarter 2 of 2023, covering the time period from April 1st through June 30th. No other quarterly financial and performance reports were submitted to the County during the fiscal year. As part of the monitoring the County performed on the subrecipients in March 2023, they noted the subrecipients had been missing quarterly reports. Despite communications made by the County to obtain the missing quarterly reports, no other quarterly reports were submitted by the subrecipients.

Contact Person Responsible for Corrective Action: Don Lopp, Director of Operations and County Planning

Contact Phone Number and Email Address: 812-948-4110 and dlopp@floydcounty.in.gov

Views of Responsible Officials:

We concur with the finding

Description of Corrective Action Plan:

Staff will continue to work with Water companies regarding audit of projects and submission of all required quarterly reports.

Anticipated Completion Date:

Quarterly Reports will be collected until final December 2024 reporting. All subrecipient awards are required to be completed by December 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/>.