

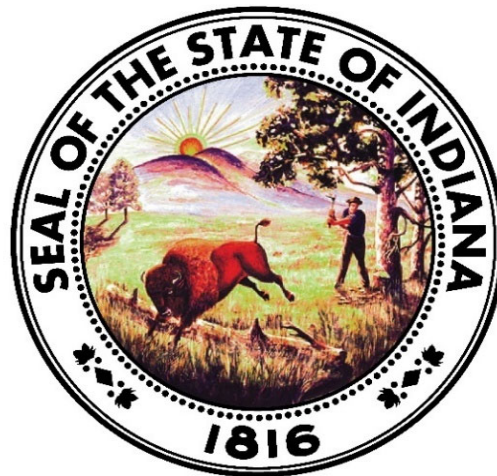
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

JEFFERSON COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
09/25/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Heather Huff	01-01-23 to 12-31-24
County Treasurer	Meghan Hoskins	01-01-23 to 12-31-24
Clerk of the Circuit Court	Tabatha Eblen	01-01-23 to 12-31-24
County Sheriff	Benjamin Flint	01-01-23 to 12-31-24
County Recorder	Molly O'Conner	01-01-23 to 12-31-24
President of the Board of County Commissioners	Robert Little David Bramer	01-01-23 to 12-31-23 01-01-24 to 12-31-24
President of the County Council	Ray Black, Jr. Heather Foy	01-01-23 to 12-31-23 01-01-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF JEFFERSON COUNTY, INDIANA

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

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

September 10, 2024

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COUNTY AUDITOR
JEFFERSON COUNTY

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS

FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

There were deficiencies in the internal control system of the County Auditor related to financial close and reporting and disbursements.

Financial Close and Reporting

The County Auditor had not designed or implemented a system of internal control over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's Annual Financial Report (AFR) and financial statement. The County Auditor entered information into Gateway without an oversight or review process in place to ensure the accuracy of the AFR prior to submission.

Disbursements

The County did not have a proper system of internal controls over disbursements related to its Self-Insurance fund after August of 2023. Payments made to the County's third-party administrator for the processing of health insurance claims and payments of related administrative fees did not have a documented review and approval process to ensure the health insurance claims processed were for actual employees of the County.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

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

INTERNAL CONTROLS

Condition and Context

The County did not have internal controls in place to ensure compliance with laws and regulations over annual financial report, annual engagement uploads, and capital assets as detailed further in the comments below.

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report 000000756S.

Condition and Context

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

Grant Information

- The Child Support Enforcement program expenditures were omitted, which understated expenditures by \$229,550.
- The Immunization Cooperative Agreements program was overstated by \$126,668.
- The Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response program expenditures were omitted, which understated expenditures by \$110,600.
- The COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program expenditures were omitted, which understated expenditures by \$110,000.
- The Highway Planning and Construction program expenditures were understated by \$83,695.
- The Opioid STR program expenditures were understated by \$52,463.

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- The Crime Victim Assistance program expenditures were overstated by \$40,910.
- The Edward Byrne Memorial Justice program expenditures were overstated by \$40,008.
- The Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii program expenditures were understated by \$42,234.
- Several additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$24,552, in total.
- Other errors included incorrect or omitted Assistance Listings Numbers, program names, identifying numbers, and incorrect amounts reported as passed through to subrecipients.

The grant information described above is utilized to compile the Schedule of Expenditures of Federal Awards (SEFA) which is presented in the Federal Compliance Audit Report of the County. Therefore, these errors also appeared in that schedule. Audit adjustments were proposed, accepted by the County, and made to the SEFA.

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](#)."

ANNUAL ENGAGEMENT UPLOADS

Condition and Context

Not all required annual engagement files and information were uploaded by the County Auditor. Annual engagement files and information not uploaded include the following:

- Excel Data Capture/Data Dump.
- Current year Salary Ordinance (or Schedule) and Amendments.
- Annual Payroll History Report without Social Security numbers.
- Accounts Payable/Accounts Receivable Schedule support.
- Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year.
- Agreements for Subawards made to Subrecipients for all Federal Grants initiated during the year.
- Personnel Policy (to be uploaded in 2023 and in future years if updated).

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. . . .

The December 2023 monthly file upload is due February 15, 2024, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. For all calendar year end units, the 2023 annual file upload is due March 1, 2024, and on March 1 each year thereafter unless the SBOA establishes a different date. . . .

(Amended State Examiner Directive 2018-1, Updated October 30, 2023, and effective starting with December 2023 monthly files and 2023 annual files)

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)

CAPITAL ASSETS

Condition and Context

The County's capital asset listing did not include information for multiple assets that should have been either added or deleted during 2023. During a test of capital asset additions and deletions, there were three assets purchased, one truck for \$61,409 and two 9' spreaders for \$12,745 each, for the County Highway Department that were not added to the capital asset listing. These items are above the \$10,000 threshold set forth in the County's Fixed Asset Capitalization Policy (Ordinance No. 2022-4). During a test involving the observation of assets identified on the County's capital asset listing, one asset, a Case skid steer loader, could not be observed as that asset was auctioned off in November 2022 with auction proceeds not received until January 2023. This asset should have been marked on the capital asset listing as a deletion.

Criteria

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

COUNTY AUDITOR
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The County had incorrectly certified within the Annual Financial Report that it trained all required employees on the internal control standards. During a separate test to determine if County employees (where applicable) had been trained on the internal control standards, there were several certifications that could not be located to indicate the training has occurred.

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](#)."

COUNTY AUDITOR
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2024, with Heather Huff, County Auditor; Heather Foy, President of the County Council; David Bramer, President of the Board of County Commissioners; and Pam Crozier, County Council member.

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COUNTY TREASURER
JEFFERSON COUNTY

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS

FINANCIAL TRANSACTIONS AND REPORTING

A similar comment appeared in prior Report 000000756S.

Condition and Context

The County Treasurer did not have a proper system of internal controls in place over financial transactions and reporting to prevent, or detect and correct, errors in cash and investments. The County Treasurer had not established internal controls to ensure monthly bank reconciliations were complete and accurate, and to ensure financial activity was accurately recorded in the County Treasurer's Daily Balance of Cash and Depositories (County Treasurer's Cash Book) and reported.

Additionally, the County Treasurer had not established internal controls to ensure accurate reporting of the Supplemental Annual CAR-1 report. No evidence was presented for audit to indicate that someone other than the person who prepared the Supplemental CAR-1 report reviewed the information for completeness and accuracy.

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

- Monthly bank reconciliations were not performed for most of the year for the self-insurance and revolving loan depository accounts. Bank reconciliations were performed for the other depository accounts; however, all of the reconciliations selected for testing during the year were not completed timely, and some were as many as eight months late. In addition, the reconciliations contained numerous errors, and the incorrect balance was used to reconcile. The December 31, 2023 bank reconciliation completed by the County Treasurer had an outstanding EFT total of \$7,350,327. Of that amount, it was determined that \$6,170,978 were for fund-to-fund transfers that were traceable to the County's disbursements with matching receipt transactions. After removing the \$6,170,978 from the outstanding transactions listing, a cash short difference of \$235,656 existed between the depository account balances and the funds ledger balance.
- Several errors were identified with the activity recorded in the County Treasurer's Cash Book. The amount reported for after-settlement collections contained a negative unidentified variance of \$8,645. The monies on hand at the various bank depository accounts did not agree with the total monies on hand for after settlement collections and the fund ledger balance. An entry was included in the bank depository account as a negative \$7,600 in order to force the depository account balance totals to agree with the total fund ledger and after settlement collections total.
- The Monthly Financial Statement, Form No. 61, was a permanent record prepared from the County Treasurer's funds ledger at the close of each month. It was reconciled on a monthly basis with a similar statement kept by the County Auditor. This reconciliation process did not have a reconciling difference during the year; however, the County Treasurer's funds ledger (subsidiary record) and the County Treasurer's Cash Book (control record) were not in agreement, and the difference between the two records increased throughout the year. On December 31, 2023, the subsidiary record balance was \$5,862,315 less than the control record balance.

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

- The County Treasurer's Monthly Financial Report (Form 47TR) was to be prepared monthly in quadruplicate with one copy retained by the County Treasurer and three copies filed with the County Auditor for transmission to the Board of Finance, Board of County Commissioners, and Indiana State Board of Accounts, respectively. The reported deposits in transit and outstanding warrants were not properly reported as intended for the Form 47TR. The outstanding warrants totals column were a net total from the monthly bank reconciliation for transactions related to outstanding checks, EFT debits, and deposits in transit. The deposits in transit totals column were calculated by taking the beginning balance from the Cash Book for the month and subtracting the bank statement's ending balance, resulting in a plug number.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

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

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balances 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 County Treasurers of Indiana, Chapter 1)

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

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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

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 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)

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 the day.

The record is designed to be posted "daily", with a separate page for each day. The left side of the page shows the total amount of money for which the treasurer is accountable (charges) and the right side of the page shows the money on deposit invested or on hand (credits), as proof of the financial condition.

...

(Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

On or before the 16th day of each month the treasurer shall prepare a report showing the financial condition of the office as of the close of business on the last day of the preceding month.

This report shall show the amounts with which the treasurer is chargeable for the various funds and accounts, the amounts with which the treasurer is credited for money on deposit, invested and cash on hand and any long or short at the close of each month. The report also provides space for reconciliation with depositories.

The report shall be prepared in quadruplicate and each copy shall be verified by certificate of the treasurer. The treasurer shall retain one copy as a public record in the office and three copies shall be filed with the county auditor. The county auditor shall file the original of said reports with the records of the county board of finance, one copy shall be presented to the board of county commissioners at its next regular meeting, and the county auditor shall immediately transmit one copy to the State Board of Accounts.

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

This report has been prescribed by the state board of accounts and designated as Form 47TR. This form is self-explanatory and all of the information required can be obtained from the daily balance of cash and depositories, except for the bank balances shown on the bank statements and the amounts of the outstanding warrants which are obtained from the bank reconcilements. . . .

(Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

A similar comment also appeared in prior Report 000000756S, entitled *MONTHLY ENGAGEMENT UPLOADS*.

Condition and Context

The County Treasurer did not have adequate internal controls in place to ensure that all required monthly and annual uploads to the Indiana Gateway for Government Units financial reporting system were being performed. The County Treasurer did not upload the required monthly reconciliation between the County Auditor and County Treasurer, Form 61. The monthly bank statements, reconciliations, and outstanding check lists for all financial accounts were not uploaded for November and December 2023.

The County Treasurer also did not upload the annual files for the Year-end Investment Statement and Register of Investments (General Form 350).

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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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. . . ."

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. . . .

COUNTY TREASURER
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The December 2023 monthly file upload is due February 15, 2024, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. For all calendar year end units, the 2023 annual file upload is due March 1, 2024, and on March 1 each year thereafter unless the SBOA establishes a different date. . . .

(Amended State Examiner Directive 2018-1, Updated October 30, 2023, and effective starting with December 2023 monthly files and 2023 annual files)

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)

COUNTY TREASURER
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2024, with Meghan Hoskins, County Treasurer; Heather Foy, President of the County Council; David Bramer, President of the Board of County Commissioners; and Pam Crozier, County Council member.

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COUNTY SHERIFF
JEFFERSON COUNTY

COUNTY SHERIFF
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS

FINANCIAL TRANSACTIONS AND REPORTING

A similar comment appeared in prior Report 000000756S.

Condition and Context

There were several deficiencies in the internal control system of the County Sheriff's Department related to financial transactions and reporting.

Commissary Funds

An internal control deficiency was identified with the Commissary Funds where internal controls were not in place to verify the receipt of goods or services prior to payment of invoices.

Inmate Trust

Internal control deficiencies identified with the Inmate Funds were as follows:

- There were no internal controls in place to verify the receipt of goods prior to payment of invoices or for the approval of payments. There were no internal controls in place to verify that amounts invoiced by the vendor for goods ordered by the inmates had been properly deducted from the inmates' accounts.
- Internal controls were not in place over the inventory of debit cards issued to inmates to ensure all cards were properly accounted for and the dollar value placed on the card was properly authorized.
 - Reconciliation of the inmate subsidiary internal control account to the detail subsidiary record was not performed during the audit period.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27 to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:"

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An integral part of the control activity component is segregation of duties. . . .

COUNTY SHERIFF
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(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. . . ."

Indiana Code 5-13-6-1(3) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledgers, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

A similar comment also appeared in prior Report 000000756S.

Condition and Context

The County Sheriff did not have internal controls in place to ensure that all required monthly and annual uploads to the Indiana Gateway for Government Units financial reporting system were being performed. Some bank reconciliations, bank statements, and outstanding check lists related to the County Sheriff's Inmate Trust fund were not uploaded for the fiscal year. None of the required monthly uploads were performed for the County Sheriff's Commissary fund. Additionally, the Inmate Trust Subsidiary Detail as of December 31, 2023, was not uploaded.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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COUNTY SHERIFF
JEFFERSON COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. . . .

The December 2023 monthly file upload is due February 15, 2024, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. For all calendar year end units, the 2023 annual file upload is due March 1, 2024, and on March 1 each year thereafter unless the SBOA establishes a different date. . . .

(Amended State Examiner Directive 2018-1, Updated October 30, 2023, and effective starting with December 2023 monthly files and 2023 annual files)

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)

COUNTY SHERIFF
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2024, with Benjamin Flint, County Sheriff; Heather Foy, President of the County Council; David Bramer, President of the Board of County Commissioners; and Pam Crozier, County Council member.

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BOARD OF COUNTY COMMISSIONERS
JEFFERSON COUNTY

BOARD OF COUNTY COMMISSIONERS
JEFFERSON COUNTY
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

The County was not able to provide supporting documentation to show that specific employees (where applicable) had been trained over the internal control standards. There were 16 County employees during fiscal year 2023 in which a signed internal control training certification, or an equivalent, was not available for review to determine if the employees had completed the necessary internal control training.

Criteria

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

BOARD OF COUNTY COMMISSIONERS
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2024, with Heather Foy, President of the County Council; David Bramer, President of the Board of County Commissioners; and Pam Crozier, County Council member.

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COUNTY 911 DEPARTMENT
JEFFERSON COUNTY

COUNTY 911 DEPARTMENT
JEFFERSON COUNTY
AUDIT RESULT AND COMMENT

COMPENSATION AND BENEFITS

Condition and Context

Internal controls were not in place to ensure that all compensation paid was formally approved. The former County 911 Director and some County 911 Dispatchers were paid additional compensation during the audit period that had not been approved by the County Council. The former County 911 Director indicated that the payments were due to being short staffed and it was a way to show appreciation for those that were working many extra shifts and forfeiting vacation time to make sure County 911 Dispatchers were always on duty. The amounts were presented on the payroll vouchers submitted that were approved by the Board of County Commissioners and the County Auditor.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

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

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

COUNTY 911 DEPARTMENT
JEFFERSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2024, with Brandon Tucker, County 911 Executive Director; Heather Foy, President of the County Council; David Bramer, President of the Board of County Commissioners; and Pam Crozier, County Council member.