

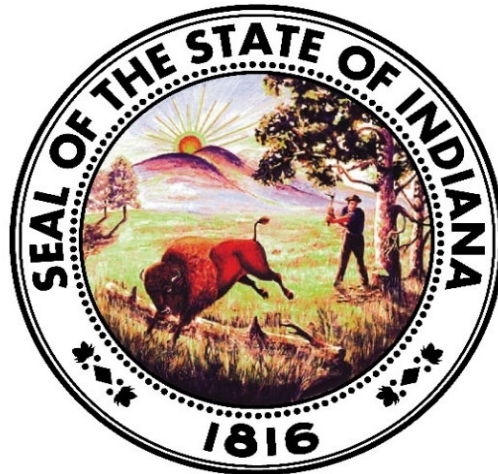
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

WHITE COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

10/03/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Elizabeth J. Billue	01-01-23 to 12-31-24
County Treasurer	Barbara Nydegger	01-01-23 to 12-31-24
Clerk of the Circuit Court	Laura Cosgray	01-01-23 to 12-31-24
County Sheriff	William Brooks	01-01-23 to 12-31-24
County Recorder	Lori Austin	01-01-23 to 12-31-24
President of the Board of County Commissioners	Steve Burton	01-01-23 to 12-31-24
President of the County Council	Raymond L. Kramer, Jr.	01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WHITE COUNTY, INDIANA

This report is supplemental to the audit report of White 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 18, 2024

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COUNTY AUDITOR
WHITE COUNTY

COUNTY AUDITOR
WHITE COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report 000000340S, entitled *FINANCIAL TRANSACTIONS AND REPORTING*.

Condition and Context

Financial and other 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). The County entered the information as required; however, there were no internal controls in place that would be effective in preventing or detecting errors in the information entered. One employee prepared and entered the financial information into Gateway without a documented oversight or review process.

As a result, the following errors were identified in the other information reported in the AFR:

Grant Information

- The Economic Development Cluster expenditures were overstated by \$196,515.
- Several grants had errors that resulted in misstatements of expenditures of \$276,600, in total.
- Other errors included pass-through entities and identifying numbers.

Audit adjustments were proposed, accepted by the County, and made to the Schedule of Federal Expenditures presented in the Federal Compliance Report and to the grant information in the AFR for the County.

Capital Asset Information

Capital assets were not properly added or removed from the capital asset detail, which caused assets to be missing from the capital asset schedule entered into Gateway. The schedule was determined to be incorrect due to these assets not being properly recorded.

The County did not present the Schedule of Capital Assets in the Financial Statement Audit Report.

Payables and Receivables Information

There was no supporting detail presented for the payables and receivables entered into Gateway.

The County did not present the Schedule of Payables and Receivables in the Financial Statement Audit Report for the County.

COUNTY AUDITOR
 WHITE COUNTY
 AUDIT RESULTS AND COMMENTS
 (Continued)

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. . . .

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. . . ."

OVERDRAWN CASH BALANCES

The same comment also appeared in the prior Report 000000340S.

Condition and Context

Internal controls were not in place to ensure that cash and investments balances were not overdrawn at year end.

The financial statement included grant funds that were not receiving proper reimbursements which caused the funds to remain negative. The following funds had overdrawn cash balance as of December 31, 2023.

Fund	Amount Overdrawn
AIP1919 Rd Relocate 20.106	\$ 21,740
Roundabout FHWA 20.205	178,304
AIP FY21 Rd 225 S Const	58,210
CHIRP Grant	6,991
Airport Prairie Pollinator	3,543

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

CAPITAL ASSETS

Condition and Context

Internal controls were not in place to ensure accurate recordkeeping and inventory of the County's capital assets. The County's detailed listing was provided and determined not to be accurate and complete based on the following discrepancies:

- There were 34 capital assets selected for review to ensure they were properly added to the detailed capital asset listings; however, 11 of the 34 assets were not properly added to the capital asset listing.
- During the audit period, the County sold a parcel of land. The parcel of land should have been previously listed as a capital asset and removed from the listing at the time it was sold. However, the parcel of land was never listed as a capital asset.

Additionally, the County did not conduct a complete physical inventory of the capital assets at least every two years as required.

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:

COUNTY AUDITOR
WHITE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

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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
WHITE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2024, with Elizabeth Billue, County Auditor; Barbara Nydegger, County Treasurer; Michael Smolek, County Commissioner; and Raymond L. Kramer, Jr., President of the County Council.

CLERK OF THE CIRCUIT COURT
WHITE COUNTY

CLERK OF THE CIRCUIT COURT
WHITE COUNTY
AUDIT RESULT AND COMMENT

CLERK'S TRUST ITEMS

Condition and Context

There were deficiencies in the internal control system of the Clerk of the Circuit Court (Clerk) related to trust items. Internal control deficiencies resulted in the noncompliance over the Clerk's trust items.

The Clerk's office had \$1,192,146 held in trust on December 31, 2023. We tested 25 trust items in which 14 of the items were not properly distributed. These trust items had orders to distribute but had not been distributed and remained in the trust account. All of these trust items were at least seven years old.

Criteria

Indiana Code 32-34-1.5-4 states in part:

"Subject to section 11 of this chapter, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified as follows: . . .

- (9) For property held by a court, including property received as proceeds of a class action, three (3) year after the property becomes distributable. . . ."

Indiana Code 32-34-1.5-18 states:

"(a) A holder of property presumed abandoned and subject to the custody of the attorney general must report in an electronic record to the attorney general concerning the property. The attorney general may not require a holder to file a paper report.

(b) A holder may contract with a third party to make the report required under subsection (a).

(c) Whether or not a holder contracts with a third party under subsection (b), the holder is responsible:

CLERK OF THE CIRCUIT COURT
WHITE COUNTY
AUDIT RESULT AND COMMENT
(Continued)

- (1) to the attorney general for the complete, accurate, and timely reporting of property presumed abandoned; and
- (2) for paying or delivering to the attorney general property described in the report."

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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White County 2024 Audit Findings for Trust Accounts

Official Response

September 30, 2024

91C01-306-MF-000040 – Man & Traders vs Hook - \$6.04 was the amount left after Order to Release proceeds from a Sheriff's sale was filed. No additional paperwork filed, No further Order to Release remaining funds. – Sent to Unclaimed

91C01-9708-CP-000090 – Thayer vs Vegter - \$500 bond posted per court order. Case was continued without date. Nothing further filed. – Refunding to Plaintiff

91C01-8608-MI-000220 – Samuel T. Young vs Linda Weaver – Complaint for damages. No file or CCS scanned – Sent to Unclaimed

91D01-1402-FD-000012 – State of Indiana vs Brett Roller – Bond poster Steave Roller is deceased. Widow filed paperwork asking that bond refund be issued to her. Judge entered court order directing her to consult with an attorney, familiar with the transfer of assets upon death, to determine the process by which she would need to pursue, to acquire the authority to receive said funds. Guess she never did. Sending to unclaimed under decedent's name.

91D01-0611-CM-000602 – State of Indiana vs Adolfo Samano – Believe found address. Issued check to bond poster.

91D01-1111-CC-000251 – Bank of Wolcott vs Runk – found Defendant. Issued refund check.

91D01-1501-IF-000017 – State of Indiana vs Allis – Had previously been taken care of.

91D01-0803-IF-000737 – State of Indiana vs Amber Crone – Issued check to Defendant

91D01-9809-CF-000097 – State of Indiana vs Matthew Farrell – Located Victim – Issued check

91D01-0607-FB-000115 – State of Indiana vs Patrick Harper – Applied to costs

91D01-0103-DF-000029 – State of Indiana vs Dustin Inman – Located victim – Issued check

91d01-1410-MF-000052 – PNC Bank vs Garciela Loera, etal – Remaining balance after order to disburse Sheriff Sale funds. No further order entered as to whom overage belongs to. Sent to unclaimed.

91D01-9308-SC-000368 – Jasper Hospital vs V. Lucas – Can not locate defendant– Sent to unclaimed.

91C01-1201-CT-000001 – Flickinger vs Barko – Bond was posted by Plaintiff. No order releasing the bond. Can not locate Plaintiff – never had an address. Sent to unclaimed.

Laura Cosgray

White County Clerk

CLERK OF THE CIRCUIT COURT
WHITE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2024, with Laura Cosgray, Clerk of the Circuit Court; Elizabeth Billue, County Auditor; Barbara Nydegger, County Treasurer; Michael Smolek, County Commissioner; and Raymond L. Kramer, Jr., President of the County Council.