

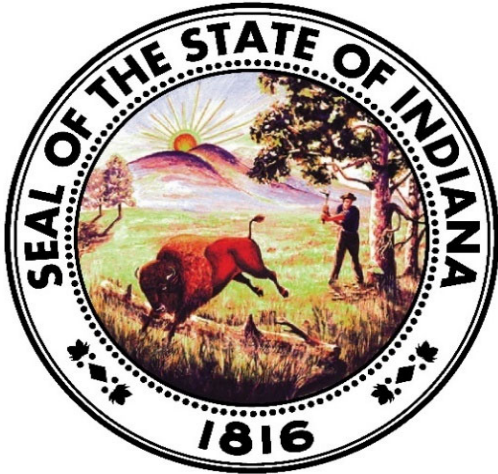
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FEDERAL COMPLIANCE AUDIT REPORT

OF

ALLEN COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

09/27/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Nicholas D. Jordan	01-01-23 to 12-31-24
County Treasurer	William F. Royce	01-01-23 to 12-31-24
Clerk of the Circuit Court	Christopher M. Nancarrow	01-01-23 to 12-31-24
County Sheriff	Troy R. Hershberger	01-01-23 to 12-31-24
County Recorder	Nicole L. Keesling	01-01-23 to 12-31-24
Circuit Court Judge	Honorable Wendy W. Davis (Vacant) Honorable Ashley N. Hand	01-01-23 to 03-14-23 03-15-23 to 07-16-23 07-18-23 to 12-31-24
Superior Court Judge	Honorable Andrea Trevino	01-01-23 to 12-31-24
President of the Board of County Commissioners	Therese M. Brown Richard E. Beck	01-01-23 to 12-31-23 01-01-24 to 12-31-24
President of the County Council	Thomas A. Harris Robert A. Armstrong	01-01-23 to 12-31-23 01-01-24 to 12-31-24



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF ALLEN 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 statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Allen County (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 25, 2024. A qualified opinion was issued for the discretely presented component unit due to four component units not being included in the County's financial statements as further described in that report. Our report includes a reference to other auditors who audited the financial statements of the Allen County Public Library, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 statements, 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 statements 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS 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 statements are 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE
Deputy State Examiner

September 25, 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 ALLEN COUNTY, INDIANA

Report on Compliance for the Major Federal Program

Qualified Opinion

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

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

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

Basis for Qualified Opinion

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

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

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)

Matter Giving Rise to Qualified Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

As described in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in item 2023-004 for Procurement and Suspension and Debarment. Compliance with such requirement is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Other Matter - Federal Expenditures Not Included in the Compliance Audit

The County's basic financial statements include the operations of the Allen County Public Library (Library), which is a component unit of the County. Expenditures of federal awards for the Library, if any, are not included in the County's Schedule of Expenditures of Federal Awards during the year ended December 31, 2023. Our compliance audit, described in the *Qualified Opinion* paragraph, did not include the operations of the Library as component units are legally separate entities of the County and are subject to separate audits, as applicable in accordance with Indiana state statutes or regulations, and the audit requirements of the Uniform Guidance.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

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)

- 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 item 2023-001. 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.

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 2023-001, 2023-002, 2023-003, and 2023-004, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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)

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.

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated September 25, 2024, which contained qualified and unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 basic financial statements as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

September 25, 2024

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the County. The schedule and notes are presented as intended by the County.

ALLEN 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 Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-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	\$ -	\$ 48,188
School Breakfast Program					
National School Lunch Program	Indiana Department of Education	10.555			
National School Lunch Program			FY 2023	-	90,036
National School Lunch Program-Commodities			FY 2023	-	12,832
Total - National School Lunch Program				-	102,868
Total - Child Nutrition Cluster				-	151,056
Total - Department of Agriculture				-	151,056
<u>Department of the Interior</u>					
Outdoor Recreation Acquisition, Development and Planning	Indiana Department of Natural Resources	15.916			
Land and Water Conservation			PO 20011597	-	149,588
Total - Department of the Interior				-	149,588
<u>Department of Justice</u>					
Juvenile Justice and Delinquency Prevention	Indiana Criminal Justice Institute	16.540			
Check and Connect			2020-JX-FX-0046		39,791
Check and Connect			15PJDP-21-GG-04726-TITL	-	82,698
Total - Juvenile Justice and Delinquency Prevention				-	122,489
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
Domestic Violence			VOCA-2022-00130	-	231,139
Domestic Violence			VOCA-2022-00168	-	56,325
Domestic Violence			VOCA-SUPP-2022-00037	-	51,255
Total - Crime Victim Assistance				-	338,719
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588			
Domestic Violence			STOP-2022-00010	-	63,043
Domestic Violence			STOP-2023-00011	-	14,410
Total - Violence Against Women Formula Grants				-	77,453
State Criminal Alien Assistance Program	Direct Grant	16.606			
SCAAP			15PBJA22RR05383SCAA	-	17,950
SCAAP			15PBJA23RR05697SCAA	-	21,597
Total - State Criminal Alien Assistance Program				-	39,547

ALLEN 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 Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
Edward Byrne Memorial Justice Assistance Grant Program	City of Fort Wayne	16.738			
FY 21 JAG Project Fort Wayne-Allen County			15PBJA-21-GG-01472-JAGX	-	988
FY 20 JAG Project Fort Wayne-Allen County			2020-DJ-BX-0964	-	1,011
FY 22 JAG Project			2022-BJA-FY22	-	16,787
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	18,786
Equitable Sharing Program	Direct Grant	16.922			
Asset Seizure-Sheriff			FY 2023	-	6,426
Asset Seizure-Prosecutor			FY 2023	-	1,726
Total - Equitable Sharing Program				-	8,152
Total - Department of Justice				-	605,146
<u>Department of Transportation</u>					
Highway Safety Cluster					
State and Community Highway Safety Traffic Enforcement-CITLI	Indiana Criminal Justice Institute	20.600			
			CHIRP 2022 00069	-	18,981
National Priority Safety Programs Stop Arm Violation Enforcement (SAVE)	Indiana Criminal Justice Institute	20.616			
			SAVE-2023-00011	-	20,645
Total - Highway Safety Cluster				-	39,626
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Construction Engineering			DES 1401272	-	5,995
Right of Way			DES 1401273	-	5,884
Preliminary Engineering			DES 1702810	-	29,017
Preliminary Engineering			DES 1802912	-	199,912
Construction Engineering			DES 1901884	-	416,056
Preliminary Engineering			DES 1902823	-	51,408
Preliminary Engineering			DES 1902825	-	39,702
Preliminary Engineering			DES 2003073	-	82,049
Construction Engineering			DES. 1382492	-	36,117
Construction Engineering			DES. 1401273	-	9,208
Construction Engineering			DES. 1702810	-	94,463
Preliminary Engineering			DES. 1902749	-	31,442
Right of Way			DES. 1902749	-	13,260
Right of Way			DES. 1902823	-	49,359
Preliminary Engineering			DES. 2100106	-	69,553
NIRCC			DES. 2101669	-	926,518
Preliminary Engineering			DES. 2101756	-	120,257
Preliminary Engineering			DES. 2101761	-	71,571
Preliminary Engineering			DES. 2101762	-	94,181
Preliminary Engineering			DES. 2101768	-	66,073
Total - Highway Planning and Construction				-	2,412,025

ALLEN 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 Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Traffic Enforcement-DUI	Indiana Criminal Justice Institute	20.608	CHIRP 2022 00069	-	799
Total - Department of Transportation				-	2,452,450
<u>Department of the Treasury</u>					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds ARP	Direct Grant	21.027	FY 2023	-	13,148,058
COVID-19 Coronavirus State and Local Fiscal Recovery Funds CSFRF	Indiana Department of Health	21.027	PO 20011717	-	130,479
Total - Department of the Treasury				-	13,278,537
<u>Department of Health and Human Services</u>					
Immunization Cooperative Agreements Health Indiana Plan-Immunizations Health Indiana Plan-Immunizations	Indiana State Department of Health	93.268	PO 20011974 PO 20014231	- -	17,033 152,840
Total - Immunization Cooperative Agreements				-	169,873
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) ELC Reopen Schools	Indiana Department of Health	93.323	PO 20011033	-	57,330
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response Cooperative Agreement for Emergency Response	Indiana Department of Health	93.354	PO 20010760	-	1,000
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds PPHF	Indiana State Department of Health	93.539	PO 20011974	-	69,221
Child Support Services Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2023	-	2,694,255
Refugee and Entrant Assistance State/Replacement Designee Administered Programs Refugee Health Screens	Indiana State Department of Health	93.566	PO 20013083	-	39,227
State Court Improvement Program Superior Court-Family Relations	Indiana Supreme Court	93.586	Allen-CIP-2022 BDT	-	20,976

ALLEN 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 Listing Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
Foster Care Title IV-E Foster Care-Title IV-E	Indiana Public Defender Commission	93.658	FY 2022-23	-	41,812
HIV Prevention Activities Health Department Based Syringe Service Grant Syringe Service Grant	Indiana State Department of Health	93.940	PO 20007210 PO 20013679	- -	19,620 36,181
Total - HIV Prevention Activities Health Department Based				-	55,801
Total - Department of Health and Human Services				-	3,149,495
<u>Department of Homeland Security</u>					
COVID-19 Emergency Management Performance Grants Emergency Management Performance Grant	Indiana Department of Homeland Security	97.042	EMC-2021-EP-00013	-	36,400
Emergency Management Performance Grants Homeland Security	Indiana Department of Homeland Security	97.042	EMC-2022-EP-00005	-	89,828
Total - Emergency Management Performance Grants				-	126,228
BRIC: Building Resilient Infrastructure and Communities Emergency Performance	Indiana Department of Homeland Security	97.047	DHS-19-MT-047-000-99	-	1,457
Total - Department of Homeland Security				-	127,685
Total federal awards expended				\$ -	\$ 19,913,957

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

ALLEN 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 accrual 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.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:

Name of Opinion Unit	Opinion Issued
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Discretely Presented Component Unit	Qualified
General Fund	Unmodified
Local Income Tax - Economic Development Fund	Unmodified
ARP Coronavirus Local Recovery Fund	Unmodified
Correctional Facility Building Fund	Unmodified
War Memorial Coliseum Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major program:

Material weaknesses identified?	yes
Significant deficiencies identified?	none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes

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

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

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2023-001

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, and Procurement and Suspension and Debarment
Federal Agency: Department of the Treasury
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Assistance Listings Number: 21.027
Federal Award Number and Year (or Other Identifying Number): PO 20011717
Pass-Through Entity: Indiana State Department of Health
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition and Context

The County Department of Health, a department within the County, was awarded the Health Issues and Challenges grant through the Indiana State Department of Health financed through the American Rescue Plan Act for the purpose of funding programs that focus on the improvement of chronic disease, specifically, elevated blood lead level reduction. The Health Issues and Challenges grant is a reimbursable grant, whereby the County received reimbursement on a per-case basis at a stated rate for Case Management and Environmental Investigation activities performed. The County Department of Health received federal receipts related to the grant in the amount of \$130,479 during 2023.

As part of sound management of the federal award, the County Department of Health was responsible for implementing a system of internal controls that would ensure compliance with the applicable requirements. The County Department of Health did not properly design or implement such a system.

Receipts of the program were adequately identified through the use of an account number within the County Health Fund (285) in the County's ledger (ledger) which was unique to the Health Issues and Challenges grant receipts. However, the ledger did not adequately identify the expenditures of the grant program within the County Health Fund. Through inquiry with the County Department of Health employees and review of unit-prepared support of grant expenditures, we determined expenditures were made with grant funds during the audit period; however, we were unable to distinguish between the expenditures of the Health Issues and Challenges grant and all other activities of the County Department of Health in the County Health fund.

Due to the lack of separate identification of expenditures in the financial records, we were not able to establish a population from which to audit the Health Issues and Challenges grant for compliance with the following compliance requirements of the program:

- Activities Allowed or Unallowed
- Allowable Costs/Cost Principles
- Period of Performance
- Procurement and Suspension and Debarment

As such, the full award amount of \$130,479, as reported on the Schedule of Expenditures of Federal Awards, was determined to be questioned costs.

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

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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). . . ."

2 CFR 200.300(b) states in part: "The non-Federal entity is responsible for complying with all requirements of the Federal award. . . ."

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

(b) The financial management system of each non-Federal entity must provide for the following . . .

- (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.328 and 200.329. . . .
- (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- (4) Effective control over, and accountability for, all funds, property, and other assets. . . ."

Cause

The County Department of Health was unable to differentiate expenditures made from federal and non-federal funds within its ledger for the Heath Issues and Challenges grant.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without the proper implementation of an effectively designed system of internal controls, a population of expenditures associated with the Health Issues and Challenges grant could not be determined. As such, the County Department of Health cannot ensure nor can we determine that expenditures of the grant were not unallowable, within the proper period, and adhered to established practices and policies.

Questioned Costs

We identified \$130,479 in known questioned costs as noted in the *Condition and Context*.

Recommendation

We recommended that management of the County Department of Health establish a system of internal controls to ensure that grant award funds are adequately accounted for and tracked in such a manner as to determine the activity, receipts, and disbursements associated with the grant.

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: 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): PO 20011717
Pass-Through Entity: Indiana State Department of Health
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition and Context

The County Department of Health, a department within the County, was awarded the Health Issues and Challenges grant through the Indiana State Department of Health financed through the American Rescue Plan Act (ARPA) for the purposes of funding programs that focus on the improvement of chronic disease, specifically, elevated blood lead level reduction.

As part of sound management of the federal award, the County Department of Health was responsible for implementing a system of internal controls that would ensure compliance with the applicable requirements. The County Department of Health did not properly design or implement such a system.

The County Department of Health was required to submit data through the online portal, National Electronic Disease Surveillance System (NEDSS) Base System (NBS), monthly beginning in October 2022. The submitted data included program specific metrics relating to patient case management of certified Elevated Blood Lead Levels (EBLLs). The County Department of Health was also required to ensure environmental investigation activities completed, including risk assessments and environmental inspections, were documented in the Indiana I-LEAD database monthly by a licensed Lead Risk Assessor.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Environmental investigation activities performed by the County Department of Health were documented in the Indiana I-LEAD database by a licensed Lead Risk Assessor who was an employee of the County Department of Health. Similarly, case management activities performed were documented in the NEDSS Base System (NBS). Once activities were documented in the Indiana I-LEAD database and NBS systems, the activities were further documented in a spreadsheet by the Lead Risk Assessor (for I-LEAD activities) and the Case Management Coordinator (for NBS activities). The spreadsheet was reviewed by the Director of the Environmental Services Division and the Finance Director monthly. The Finance Director then used the spreadsheet to prepare the monthly reimbursement requests and sent the monthly reimbursement requests to the Indiana State Department of Health. We determined through inquiry with the Director of the Environmental Services Division and the Finance Director that while there was a review of the monthly spreadsheet, there was not a second review of the spreadsheet back to the activities reported in the Indiana I-LEAD database and NBS for accuracy. Additionally, the Finance Director prepared and submitted the reimbursement requests to the State without a second review or oversight process in place to prevent, or detect and correct, errors prior to submission.

The lack of internal controls was a systemic issue 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). . . ."

Cause

A proper system of internal controls, which would include segregation of key functions, was not designed by management of the County Department of Health to ensure the state was provided with complete and accurate information related to the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds award. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect management's statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect

Without the proper design or implementation of the components of a 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.

Questioned Costs

There were no questioned costs identified.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that management of the County Department of Health design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place to ensure reports are complete and accurate.

Views of Responsible Officials

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

FINDING 2023-003

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: Department of the Treasury
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Assistance Listings Number: 21.027
Federal Award Number and Year (or Other Identifying Number): FY 2023
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition and Context

Recipients of COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) awards are required to submit quarterly or annually Project and Expenditure (P&E) reports to the U.S. Department of the Treasury (Treasury). The reporting periods, as well as the respective due dates, are based upon the 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.

Counties with a population that exceeds 250,000 residents are further required to submit annually a Recovery Plan Performance Report (RPPR). The RPPR provides the public and the Treasury with both retrospective and prospective information on the projects that recipients are undertaking or planning to undertake with program funding and how they are planning to ensure program outcomes are achieved in an effective, efficient, and equitable manner.

The County was classified as a metropolitan county with a population that exceeds 250,000 residents. As such, quarterly P&E reports were to cover one calendar quarter and were to be submitted to the Treasury by the last day of the month following the end of the period covered. The annual RPPR was to be submitted to the Treasury by July 31, 2023.

An employee of the Board of County Commissioners prepared and submitted the four required quarterly P&E reports during the audit period; however, there was no review or oversight process in place to prevent, or detect and correct, errors.

Additionally, an employee of the Board of County Commissioners submitted the required annual RPPR during the audit period, which was compiled by a contracted vendor on the County's behalf. The vendor worked with the employee to get the necessary information to complete the report. Once complete, the report was provided to the employee, who then submitted the report without a review or oversight process in place to prevent, or detect and correct, errors.

The lack of internal controls was a systemic issue throughout the audit period.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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). . . ."

Cause

A proper system of internal controls, which would include segregation of duties, over SLFRF reporting was not designed by the Board of County Commissioners in order to prevent, detect or correct, material noncompliance. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect management's statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

Effect

Without the proper design or implementation of the components 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.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Board of County Commissioners design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place.

Views of Responsible Officials

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

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2023-004

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery
Funds - Procurement and Suspension and Debarment
Federal Agency: Department of the Treasury
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Number: 21.027
Federal Award Number and Year (or Other Identifying Number): FY 2023
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The County received a total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) allocation of \$73,674,384 and chose to calculate its own revenue loss allowance, which totaled \$35,932,557, to use for government services. Some SLFRF program funds expended in 2023 were expended under the revenue loss eligible use category. Additional program funds expended in 2023 were expended under the other eligible use categories.

Procurement

Federal regulations allow for informal procurement methods when the value of the procurement for property or services does not exceed the simplified acquisition threshold, which is set at \$250,000 unless a lower, more restrictive threshold is set by a non-federal entity. As Indiana Code has set a more restrictive threshold of \$150,000, informal procurement methods are permitted when the value of the procurement does not exceed \$150,000. This informal process allows for methods other than the formal bid process. The informal process is divided between two methods based on thresholds. Micro-purchases, typically for those purchases \$10,000 or under, and small purchase procedures for those purchases above the micro-purchase threshold, but below the simplified acquisition threshold. Micro-purchases may be awarded without soliciting competitive price rate quotations. If small purchase procedures are used, then price or rate quotations must be obtained from an adequate number of qualified sources. For funds expended under the revenue loss eligible use category, the above listed procurement requirements do not apply.

During the audit period, the County had four vendors with purchases over the \$10,000 micro-purchase threshold which were expended under an eligible use category other than revenue loss and, as such, were considered small purchase procurements. The County did not provide competitive price quotations for the small purchase procurements for three of the four vendors, which totaled \$257,038.

Suspension and Debarment

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

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

During the engagement, an employee of the Board of County Commissioners stated that verification was completed by checking the Excluded Parties List System when covered transactions were entered into by the County to verify that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded or disqualified from participating in federal assistance programs or activities. Six covered transactions, totaling \$3,952,203, were paid from SLFRF funds to six different vendors for goods or services that equaled or exceeded \$25,000 during the audit period. Three of the six covered transactions were selected for testing. For all three transactions tested, documentation was not provided that the vendor's suspension and debarment status was verified.

The lack of 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). . . ."

31 CFR 19.300 states:

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

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

2 CFR 200.318 states in part:

"(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327. . . ."

- (i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.320 states in part:

"The non-Federal entity must have and use documented procurement procedures, consistent with the standards of this section and §§ 200.317, 200.318, and 200.319 for any of the following methods of procurement used for the acquisition of property or services required under a Federal award or sub-award.

(a) *Informal procurement methods.* When the value of the procurement for property or services under a Federal award does not exceed the *simplified acquisition threshold (SAT)*, as defined in § 200.1, or a lower threshold established by a non-Federal entity, formal procurement methods are not required. The non-Federal entity may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the SAT include: . . .

(2) *Small purchases* —

(i) *Small purchase procedures.* The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the non-Federal entity. . . .

Cause

The County was unable to provide documentation to demonstrate it had properly procured services. In addition, the County was unable to provide documentation to demonstrate it had checked the Excluded Parties List System, per the County's procedures, to ensure vendors were not suspended or debarred prior to entering into covered transactions that exceeded \$25,000.

Effect

Without the proper implementation of an effectively designed system of internal controls, the County cannot demonstrate it obtained an adequate number of price or rate quotations prior to selecting a vendor. Therefore, the County could have overpaid for the services obtained. Furthermore, without the proper implementation of an effectively designed system of internal controls, the County cannot ensure the vendors paid with federal funds are eligible to participate in federal programs. Any program funds the County used to pay vendors that have been suspended or debarred would be unallowable, and the funding agency could potentially recover them.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Board of County Commissioners strengthen the County's system of internal controls to ensure that an adequate number of price or rate quotations are obtained for small purchase procurements. Additionally, we recommended policies and procedures be strengthened to ensure appropriate supporting documentation for federal programs is retained. Lastly, we recommended that the Board of County Commissioners strengthen the County's system of internal controls to ensure that all vendors that are paid \$25,000 or more, all or in part with federal funds, are not suspended or debarred from participating in federal programs before entering into any covered transactions.

ALLEN 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.

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AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: 12/31/2022

Current Audit Period: 12/31/2023

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

Local Income Tax (LIT) receivable recognized on the County's financial statements was estimated using the trust account balance as of December 31, 2022 instead of 2021. The 2022 balance was significantly higher resulting in a material misstatement of \$5,443,257 for LIT receivable of the Local Income Tax-Economic Development.

Status of Audit Finding:

Fully corrected. We have implemented the 7/12/23 SBoA memo regarding LIT for the 12/31/23 financials.



CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance, and Procurement and Suspension and Debarment

Summary of Finding: (copied from SBOA Findings document provided)

The Allen County Department of Health (Department of Health), a department within Allen County, was awarded the Health Issues and Challenges grant through the Indiana Department of Health financed through the American Rescue Plan Act (ARPA) for the purpose of funding programs that focus on the improvement of chronic disease, specifically, elevated blood lead level reduction. The Health Issues and Challenges grant is a reimbursable grant, whereby the County received reimbursement on a per-case basis at a stated rate for Case Management and Environmental Investigation activities performed. The Department of Health received federal receipts related to the grant in the amount of \$130,479 during 2023.

As part of sound management of the Federal award, the Department of Health was responsible for implementing a system of internal control that would ensure compliance with the applicable requirements.

The Department of Health did not properly design or implement such a system.

Receipts of the program were adequately identified through the use of an account number within the County Health Fund (285) in the Allen County's ledger (ledger) which was unique to the Health Issues and Challenges grant receipts. However, the ledger did not adequately identify the expenditures of the grant program within the County Health Fund. Through inquiry with the Department of Health employees and review of unit-prepared support of grant expenditures, we determined expenditures were made with grant funds during the audit period, however, we were unable to distinguish between the expenditures of the Health Issues and Challenges grant and all other activities of the Department of Health in the County Health Fund.

Due to the lack of separate identification of expenditures in the financial records, we were not able to establish a population from which to audit the Health Issues and

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS. ”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor's findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

Challenges grant for compliance with the following compliance requirements of the program:

- Activities Allowed or Unallowed
- Allowable Costs/Cost Principles
- Period of Performance
- Procurement and Suspension and Debarment

As such, the full award amount of \$130,479, as reported on the Schedule of Expenditures of Federal Awards, was determined to be questioned costs.

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

Recommendation:

We recommend that management of the Health Department establish a system of internal controls to ensure that grant award funds are adequately accounted for and tracked in such a manner as to determine the activity, receipts and disbursement, associated with the grant.

.....

Contact Person Responsible for Corrective Action: JENNIFER MILLER (Finance Director)

**Contact Phone Number and Email Address: 260-449-7358
(Jennifer.miller@allencounty.us)**

Views of Responsible Officials:

We concur with the finding

Explanation and Reasons for Disagreement:

N/A

Description of Corrective Action Plan:

When we were informed of the outcomes of the SBOA audit and the subsequent needs for a corrective action plan (CAP) relative to their findings, we moved quickly to begin the development of the CAP. We feel this finding/issue could be easily remedied by following our normal procedure for grants, whereby we develop a new fund, craft a Fund Ordinance for approval by the Allen County Commissioners to establish said new fund, and then subsequently track all expenditures and reimbursements in the separate fund vs. utilizing a line item for deposits in the main Health Fund as was done with this grant (which lacked the ability to denote exact salary expenditures and such next to each payment as it was all done within the larger fund for all staff and expenses. We were not aware of this need.

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

THE PLAN (which will be added as a new “Grants” section in our existing Finance Internal Controls policies):

For all grants (reimbursable or deliverables-based), once a contract is near completion or upon execution, a separate fund will be created through development and approval of a local fund ordinance. All expenditures allowed by said grant and all reimbursements received by the grant funder will be tracked solely and only within the separate grant fund that is tied to the signed contract from the funder.

If there are staff payments for salaries or benefits being reimbursed by a grant, we will ensure that: (1) the hours/minutes per staff member per pay period for all work associated with these grant duties are tracked appropriately so as to ensure we are invoicing the grant funder for the exact and accurate work hours (regardless of whether or not the grant contract specifies this be tracked or reimbursed per minute/hour, as most do not require this); and (2) these amounts will be noted alongside the expenditures in the grant fund for clarity upon invoicing or auditing.

Anticipated Completion Date:

We will follow this practice for any new grants accepted by the Allen County Department of Health effective 9/17/2024. This is the standard practice for most grants we have accepted, and therefore, we will not vary from this practice in the future even if given permission to do so.

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”



CORRECTIVE ACTION PLAN

FINDING 2023-002

Finding Subject: Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: Department of the Treasury

Summary of Finding: (copied from SBOA Findings document provided)

The Allen County Department of Health (Department of Health), a department within Allen County, was awarded the Health Issues and Challenges grant through the Indiana Department of Health financed through the American Rescue Plan Act (ARPA) for the purposes of funding programs that focus on the improvement of chronic disease, specifically, elevated blood lead level reduction.

As part of sound management of the Federal award, the Department of Health was responsible for implementing a system of internal control that would ensure compliance with the applicable requirements. The Department of Health did not properly design or implement such a system.

The Department of Health was required to submit data through the online portal, National Electronic Disease Surveillance System (NEDSS) Base System (NBS), monthly beginning in October 2022. The submitted data included program specific metrics relating to patient case management of certified Elevated Blood Lead Levels (EBLLs). The Department of Health was also required to ensure environmental investigation activities completed, including risk assessments and environmental inspections, were documented in the Indiana I-LEAD database monthly by a licensed Lead Risk Assessor.

Environmental investigation activities performed by the Department of Health were documented in the Indiana I-LEAD database by a licensed Lead Risk Assessor who was an employee of the Department of Health. Similarly, case management activities performed were documented in the NEDSS Base System (NBS). Once activities were documented in the I-LEAD and NBS systems, the activities were further documented in a spreadsheet by the Lead Risk Assessor (for I-LEAD activities) and the Case Management Coordinator (for NBS activities). The spreadsheet was reviewed by the Director of the Environmental Services Division and the Finance Director monthly. The

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

Finance Director then used the spreadsheet to prepare the monthly reimbursement requests and sent the monthly reimbursement requests to the Indiana Department of Health. We determined through inquiry with the Director of the Environmental Services Division and the Finance Director that while there was a review of the monthly spreadsheet, there was not a second review of the spreadsheet back to the activities reported in I-LEAD and NBS for accuracy. Additionally, the Finance Director prepared and submitted the reimbursement requests to the State without a second review or oversight process in place to prevent, or detect and correct, errors prior to submission.

The lack of internal controls was a systemic issue throughout the audit period.

Recommendation

We recommend that management of the Health Department design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place to ensure reports are complete and accurate.

.....
Contact Person Responsible for Corrective Action: JENNIFER MILLER (Finance Director)

**Contact Phone Number and Email Address: 260-449-7358
(Jennifer.miller@allencounty.us)**

Views of Responsible Officials:

We concur with the finding

Explanation and Reasons for Disagreement:

N/A

Description of Corrective Action Plan:

We were unaware of a requirement for a secondary review of each document/spreadsheet/database input/task that was conducted prior to submission to the Finance Director (defining the completed cases for which to invoice the State), and a requirement for a secondary review of the invoice/billing documents prior to submission to the State. We were informed that the State review process (as was described to SBOA staff) was the check and balance needed which ensured we had appropriately entered the data into the required database(s) and that we had then subsequently billed for those very same appropriately completed and entered cases. However, when we were informed of the outcomes of the SBOA audit and the subsequent need for a corrective action plan (CAP) relative to their findings, we moved quickly to begin the development of the CAP -- as we do now understand that despite the inaccurate instructions we were given, we did not appropriately do

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS. ”

2 CFR § 200.511(c) – “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in § 200.516, a corrective action plan to address each audit finding included in the current year auditor’s reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the auditee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.”

what the law requires locally relative to ensuring accurate completion of duties under grant contracts before submission for reimbursement.

THE PLAN (which will be added as a new “Grants” section in our existing Finance Internal Controls policies):

For all grants (reimbursable or deliverables-based), once a contract is near completion or upon execution, a primary and secondary staff member will be identified for each step of the database entry (as an example, and this will follow whatever the duties are defined by the grant and a primary responsible staff member will be defined per grant duty needs) as well as for the invoicing/billing documentation process. The primary staff member(s) will be responsible for doing what is defined in the grant contract (a duty, task, data entry, invoice creation, etc.) and the secondary staff member will be responsible for verifying the work of the primary staff member(s). (In some cases, when there are diverse duties and more than one primary staff member is needed to do the duties of the grant, there may be several primary staff members assigned to various duties as needed)

If disparities are encountered (such as errors or omissions) in any step related to the above duties, they will first be reported the primary staff member for likely easy correction or resolution. If a pattern exists or repetitive errors are identified through the review and verification process, the secondary reviewer will report the issue(s) to the Department Administrator to make a determination as to whether the primary staff member’s duties are transferred to another staff member, or if the person is simply re-educated.

The goal will be to ensure there is an appropriate check and balance step (as well as remediation/correction step if warranted) in place for all tasks and documentation completion as it relates to grant-funded duties and invoicing.

Anticipated Completion Date:

We will follow this practice for any new grants accepted by the Allen County Department of Health effective 9/17/2024.

Per Uniform Guidance:

2 CFR § 200.511(a) – “The auditee is responsible for follow-up and corrective action on all audit findings. . . The auditee must also prepare a corrective action plan for current year audit findings. . . The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.”

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Board of Commissioners of the County of Allen

Citizens Square, Suite 410, Fort Wayne IN 46802

PH 260/449-7555 boardofcommissioners@allencounty.us

Richard E. Beck Therese M. Brown F. Nelson Peters

CORRECTIVE ACTION PLAN

FINDING 2023-003

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

Summary of Finding: The County submitted the four required quarterly P&E reports and the annual Recovery Plan Performance Report during the audit period; however, a single employee prepared and submitted each report without a review or oversight process in place to prevent, or detect and correct, errors.

Contact Person Responsible for Corrective Action: Chris Cloud, Chief of Staff

Contact Phone Number and Email Address: 260-449-4752 / chris.cloud@allencounty.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: To correct Finding 2023-003, the Chief of Staff to the Board of Commissioners will have the Controller to the Board of Commissioners review the P&E Reports and the Recovery Plan Performance Report prior to being electronically submitted to the Department of Treasury via its State and Local Fiscal Recovery Funds portal. If errors are discovered by the Controller, the Chief of Staff will correct the electronic entry prior to submission.

Anticipated Completion Date: This CAP will be completed by October 31, 2024, the deadline for submitting the third quarter 2024 P&E Report.



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CORRECTIVE ACTION PLAN

FINDING 2023-004

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

Summary of Finding:

Suspension and Debarment – Allen County did not have documentation that vendors' suspension and debarment status were verified through either a) checking the Excluded Parties List System (EPLS), b) collecting a certification, or c) adding a clause or condition to the covered transaction agreement.

Procurement – Allen County did not ensure purchases between \$10,000 and \$150,000 had received the adequate number of quotes or documented why an adequate number of quotes was not received.

Contact Person Responsible for Corrective Action: Chris Cloud, Chief of Staff

Contact Phone Number and Email Address: 260-449-4752 / chris.cloud@allencounty.us

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: To correct Finding 2023-004 for Suspension and Debarment, the Chief of Staff to the Board of Commissioners will check the EPLS on SAM.gov every time a contract is placed before the Board of Commissioners for signature not containing the appropriate suspension and debarment language or a county department starts a project with a vendor using State and Local Fiscal Recovery Funds (SLFRF). If a vendor is not found in EPLS, a certification will be solicited from the vendor prior to contract signing or purchase of goods or services verifying that they have not been suspended or disbarred. A new verification must be sought for every contract or purchase. Documentation will be kept on file by the Controller to the Board of Commissioners who is responsible for reviewing claims submitted for payment utilizing SLFRF.

To correct Finding 2023-004 for Procurement, the Chief of Staff to the Board of Commissioners will instruct departments who may be spending between \$10,000-\$150,000 of SLFRF that price or rate quotations must be obtained from an adequate number of qualified sources. When departments submit a claim to the Controller of the Board of Commissioners for payment, they must also provide a cover sheet outlining a) rationale for the method of procurement, b) copies of quotes received, and c) a justification for the selected vendor. This information will be reviewed and if everything is in order, the cover sheet will be uploaded, along with the accompanying invoices, in the Workflow payment system as part of the record.

Anticipated Completion Date: This CAP will be completed by December 31, 2024

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.