

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

HENDRICKS COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED

12/22/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Cinda Kattau	01-01-13 to 12-31-16
County Treasurer	Nancy L. Marsh	01-01-13 to 12-31-16
Clerk of the Circuit Court	Debbie Hoskins	01-01-13 to 12-31-16
County Sheriff	David Galloway Brett Clark	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Recorder	Theresa D. Lynch	05-28-12 to 12-31-18
President of the Board of County Commissioners	Phyllis A. Palmer Bob Gentry	01-01-14 to 12-31-14 01-01-15 to 12-31-15
President of the County Council	Jay Puckett	01-01-14 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of Hendricks County (County), for the period from January 1, 2014 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the County, which provides our opinions on the County's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Finding, identified in the above referenced audit report, is included in this report and should be viewed in conjunction with the Audit Result and Comment as described below.

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 Result and Comment contained herein describes 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 Corrective Action Plan for the Federal Finding and Official Response to the Audit Result and Comment, incorporated within this report, were not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 1, 2015

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CLERK OF THE CIRCUIT COURTS
HENDRICKS COUNTY

CLERK OF THE CIRCUIT COURTS
HENDRICKS COUNTY
FEDERAL FINDING

FINDING 2014-001 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Health and Human Services
Federal Program: Child Support Enforcement
CFDA Number: 93.563
Federal Award Number and Year (or Other Identifying Number): Calendar 2014
Pass-Through Entity: Indiana Department of Child Services

The County has not established an effective internal control system over compliance requirements relating to Allowable Costs/Cost Principles that have a direct and material effect on the program. The failure to establish an effective internal control system places the School Corporation at risk of material noncompliance.

The County has not designed or implemented adequate policies or procedures to ensure that required time and effort reports for all full and part-time employees working under a federal award are prepared and retained. There were no time and effort reports completed for the Clerk of Circuit Courts' Office during the audit period.

OMB Circular A-87, Attachment B, item 8h, states in part:

- "(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.
- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls has enabled noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the County.

We recommended that the County establish controls and procedures to comply with the grant agreement and compliance requirement listed above.

Clerk of the Circuit and Superior Courts

Hendricks County Courthouse



CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: D.J. Hoskins, Clerk of Courts
Contact Phone Number: (317) 745-9388

Description of Corrective Action Plan:

November 17-21, 2014 Hendricks County Clerk's Office did do a Time Study with Dossett's Consulting. Clerk's Office was with vendor, (Maximus) and changed vendors in doing so Jeff Dossett with Dossett's Consulting requested Clerk's to do a time study. Therefore Corrective Action Plan was completed on November 17 thru 21, 2014.

Anticipated Completion Date: Completed on November 17-21, 2014

A handwritten signature in black ink that reads "D.J. Hoskins".

D.J. Hoskins
Clerk of Courts

August 25, 2015

(Date)

CLERK OF THE CIRCUIT COURTS
HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 1, 2015, with Debbie Hoskins, Clerk of the Circuit Court; Cinda Kattau, County Auditor; and Robert L. Gentry, President of the Board of County Commissioners.

COUNTY AUDITOR
HENDRICKS COUNTY

COUNTY AUDITOR
HENDRICKS COUNTY
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The financial statement contains the Wheel Tax and Surtax fund with deficits in cash of \$19,419 as of December 31, 2014. This resulted from over distributions to the local units in 2014.

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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

COUNTY AUDITOR
HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 1, 2015, with Cinda Kattau, County Auditor, and Robert L. Gentry, President of the Board of County Commissioners.