

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WHITE COUNTY, INDIANA

January 1, 2014 to December 31, 2014



**FILED**

12/08/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Gayle E. Rogers	01-01-13 to 12-31-16
County Treasurer	Jill Guingrich	01-01-13 to 12-31-16
Clerk of the Circuit Court	Paula Lantz	01-01-11 to 12-31-18
County Sheriff	Patrick Shafer	01-01-11 to 12-31-18
County Recorder	Bruce Lambert	01-01-11 to 12-31-18
President of the Board of County Commissioners	John C. Heimlich	01-01-14 to 12-31-16
President of the County Council	Dennis Carter Raymond L. Kramer Jr.	01-01-14 to 12-31-14 01-01-15 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WHITE COUNTY, INDIANA

This report is supplemental to our audit report of White 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/](http://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 Results and Comments 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 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 Corrective Action Plan for the Federal Finding, incorporated within this report, was not verified for accuracy.

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

October 12, 2016

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COUNTY AUDITOR  
WHITE COUNTY

COUNTY AUDITOR  
WHITE COUNTY  
FEDERAL FINDING

**FINDING 2014-001 - THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The County Auditor independently prepared the SEFA without oversight, review, or approval.

The SEFA presented for audit reported Highway Planning and Construction expenditures which included local expenditures of \$986,782 in error. In addition, the SEFA contained various immaterial errors totaling \$44,753.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

*Criteria*

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states in part:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

COUNTY AUDITOR  
WHITE COUNTY  
FEDERAL FINDING  
(Continued)

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.  
... "

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

*Views of Responsible Officials*

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



Gayle E. Rogers  
White County Auditor  
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CORRECTIVE ACTION PLAN

**FINDING 2014 - 001 - THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Contact Person Responsible for Corrective Action: Gayle Rogers, White County Auditor  
Contact Phone Number: 574/583-1515

Views of Responsible Official: I concur with the findings of the State

Description of Corrective Action Plan: Internal controls have been put in place for review of the SEFA by the 1<sup>st</sup> Deputy Auditor to verify the totals entered into the report by the Auditor. We have also gone a step further and have begun training the Auditor's 1<sup>st</sup> Deputy on grant tracking so there will be an understanding of the determination of the annual totals to be input into the SEFA report.

Anticipated Completion Date: Internal Control, immediate; Grant training, December 31, 2016

Gayle E Rogers  
(Signature)

White County Auditor  
(Title)

October 11, 2016  
(Date)

COUNTY AUDITOR  
WHITE COUNTY  
AUDIT RESULT AND COMMENT

***OVERDRAWN CASH BALANCES***

The financial statement presented in the Financial Statement and Federal Single Audit Report for the County included the Soil and Water Payroll fund which was overdrawn at December 31, 2014, by \$1,771.

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  
WHITE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2016, with John C. Heimlich, President of the Board of County Commissioners; Raymond L. Kramer Jr., President of the County Council; and Gayle E. Rogers, County Auditor.

COUNTY TREASURER  
WHITE COUNTY

COUNTY TREASURER  
WHITE COUNTY  
AUDIT RESULT AND COMMENT

***BANK ACCOUNT RECONCILIATIONS***

Depository reconciliations of the fund balances to the bank account were conducted; however, the reconciliations did not balance. At December 31, 2014, there was a total variance of \$95,012. Since December 31, 2013, there has been a consistent difference each month of \$90,104, in which the County Auditor's Fund Ledger exceeded the County Treasurer's reconciled balance. In addition, as of December 31, 2014, there were additional unidentified errors totaling \$4,908.

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

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance guidelines manual for County Treasurers of Indiana, Chapter 10)

COUNTY TREASURER  
WHITE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2016, with Jill Guingrich, County Treasurer; and on October 12, 2016 with John C. Heimlich, President of the Board of County Commissioners; and Raymond L. Kramer Jr., President of the County Council.