

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DEKALB 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	John Fetters (deceased) Jan Bauman	01-01-11 to 12-31-14 01-01-15 to 12-31-18
County Treasurer	Holly Albright	01-01-13 to 12-31-16
Clerk of the Circuit Court	Martha Grimm	01-01-13 to 12-31-16
County Sheriff	Donald Lauer	01-01-11 to 12-31-18
County Recorder	Katie Firestone	01-01-13 to 12-31-16
County Prosecutor	ClaraMary Winebrenner	01-01-11 to 12-31-18
President of the County Drainage Board	Randall J. Deetz	01-01-14 to 12-31-16
President of the Board of County Commissioners	Donald D. Grogg	01-01-14 to 12-31-16
President of the County Council	Alan Middleton	01-01-14 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of DeKalb 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 Findings, identified in the above referenced audit report, are 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 Findings and Official Response to the Audit Results and Comments, incorporated within this report, were not verified for accuracy.

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

October 20, 2016

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COUNTY AUDITOR  
DEKALB COUNTY

COUNTY AUDITOR  
DEKALB COUNTY  
FEDERAL FINDINGS

**FINDING 2014-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There were several deficiencies in the internal control system of the County related to financial transactions and reporting. The following deficiencies constitute material weaknesses:

1. **Preparing Financial Statements:** Effective internal control over financial reporting involved the identification and analysis of the risks of material misstatement to the County's audited financial statement and then determining how those identified risks should be managed. The County Auditor had not identified risks to the preparation of a reliable financial statement and as a result had failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements, including notes to the financial statement.
2. **Monitoring of Controls:** Effective internal control over financial reporting required the County Commissioners or their designee to monitor and assess the quality of the County's system of internal control. The County Commissioners or their designee had not performed either an ongoing or separate evaluation of their system of internal controls.

The County is required to report all financial information in the Annual Financial Report. This information is used to compile the financial statement. The County's financial statement (Gateway Report) contained the following errors:

- The Local Road & Street fund had investments which were posted incorrectly causing the receipts and ending balance to be overstated by \$500,000.
- The Highway fund had investments which were posted incorrectly causing the receipts and ending balance to be overstated by \$250,000.
- There was a fund on the records for Total Monies on Deposit Investments that should not have been on the records. This fund overstated the beginning balance by \$2,300,000, overstated the receipts, disbursements, and ending balance by \$3,100,000. This fund was removed from the report.
- The General fund receipts were overstated by \$189,492 and the CAGIT County Certified Shares fund receipts were overstated by \$189,492 due to an error in posting Certified Shares Distribution.
- The Probation Restitution Fee fund receipts were overstated by \$80, the disbursements were understated by \$1,842, and the ending balance was overstated by \$1,922. The disbursements and ending balance were corrected in the report. The \$80 remained uncorrected.

The County's financial records (County Auditor's Combined Ledger) contained the following deficiencies:

- The County Auditor's Combined Ledger did not include all of the transactions for the Community Corrections related funds since these funds were set up in the system as fiscal year funds rather than calendar year basis funds. The Gateway Report was prepared by uploading the County Auditor's Combined Ledger numbers from the County's software.

COUNTY AUDITOR  
DEKALB COUNTY  
FEDERAL FINDINGS  
(Continued)

The Community Corrections related funds had to be reviewed one by one in order to verify if all of the transactions were actually reported in Gateway. Funds that were missing transactions had to be adjusted.

Audit adjustments were proposed, accepted by the County, and made to the County's financial statements.

*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 Counties of Indiana, Chapter 1)

Indiana Code 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

*Cause*

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

*Effect*

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

The failure to exercise their oversight responsibility placed the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls would have prevented or detected material misstatements in a timely manner. Additionally, the County had no process to identify or communicate corrective actions to improve controls.

*Views of Responsible Officials*

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

COUNTY AUDITOR  
DEKALB COUNTY  
FEDERAL FINDINGS  
(Continued)

**FINDING 2014-002 - INTERNAL CONTROLS OVER PAYROLL PROCESSING**

*Condition*

Deficiencies were noted in the internal control system of the County related to payroll processing. The following deficiencies constitute material weaknesses.

Lack of Segregation of Duties. The County had not separated incompatible activities related to payroll and related liabilities. In response to prior year's audit findings, the Dekalb County Auditor's office developed and put into place a Corrective Action Plan on January 21, 2015. The plan stated that the payroll reports, generated by an employee in the Auditor's office, would be approved by the Payroll Clerk, however, reports observed during the current audit did not have approval signatures.

Monitoring of Controls: The Board of County Commissioners or their designee had not performed either an ongoing or separate evaluation of their system of internal controls. Additionally, the County had no process to identify or communicate corrective actions to improve controls.

There were several other deficiencies in the internal control system of the County related to payroll processing. The following deficiencies constitute material weaknesses:

There was no evidence to verify that someone from the County, independent of the Payroll Clerk, verified that the payroll was paid and posted to the proper funds. The Payroll Vouchers, which report the gross payroll for each employee, did not report the office, department or funds from which the payments were made. The County generated a Gross Attendance Worksheet by department from their computer accounting software system and used it as their Payroll Schedule and Voucher, General Payroll Form 99. This report, however, did not show the funds from which the employees were paid. The County Commissioners signed an "Allowance of Payroll Claims" for each payroll. Attached to this Allowance was the "Pay History/Check Register Report" which reports the net payroll of each employee. There was no evidence to verify that approval of payroll withholdings was presented to the Board of County Commissioners. In addition, several payroll withholding accounts were overdrawn and no one was monitoring this.

We were unable to determine if employees were paid according to the Salary Ordinance since one was not presented for audit. We observed in the County Council Board Minutes that a 2014 budget was passed in October of 2013; however, no separate Salary Ordinance was passed. The Payroll Clerk used prescribed form "Statement of Salaries and Wages Proposed, To Be Paid to Officers and Employees (County Form No. 144)" to determine approved salaries. This form was not signed by the Departmental Heads.

There was no evidence to show that the County Auditor's office reconciled the Employee Service Records (General Payroll Form No. 99A) to the Employee Earnings Records and/or determined that employees were taking leave time in accordance with the County's Personnel Policy. One department head tested did not keep a time sheet. Only elected officials are allowed to not keep a time sheet.

COUNTY AUDITOR  
DEKALB COUNTY  
FEDERAL FINDINGS  
(Continued)

*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 Counties of Indiana, Chapter 1)

. . . if county funds are to be disbursed in support of an employee's benefit program, such as group insurance, the claim or voucher should be submitted to the board of county commissioners for allowance. A claim or voucher should also be submitted to the board for the county's portion of contributions payable to Public Employees' Retirement Fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 7)

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)

Indiana Code 36-2-5-11(c) states:

"At its annual meeting under IC 36-2-3-7(b)(2), the county fiscal body shall consider the statements and recommendations submitted by the county executive under section 4(b) of this chapter and shall then adopt an ordinance, separate from those adopted under subsection (b), fixing:

- (1) the compensation of all officers, deputies and other employees subject to this chapter; and;
- (2) the number of deputies and other employees for each office, department, commission, or agency, except part-time and hourly rated employees, whose employment shall be limited only by the amount of funds appropriated to pay their compensation."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 14)

*Cause*

Management had not established a system of internal control that would have ensured proper payroll processing.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements in payroll processing remained undetected. Deficiencies are identified in the *Condition*.

COUNTY AUDITOR  
DEKALB COUNTY  
FEDERAL FINDINGS  
(Continued)

The failure to establish controls enabled material misstatements or irregularities to remain undetected.

The failure to exercise their oversight responsibility placed the County at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls would have prevented or detected material misstatements in a timely manner.

*Views of Responsible Officials*

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

# DeKalb County Auditor's Office

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Jan Bauman, Auditor  
100 South Main Street  
Auburn, IN 46706  
260-925-2362

October 20, 2016

## CORRECTIVE ACTION PLAN

### FINDING 2014-001 – INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING (GATEWAY)

Contact Person Responsible for Corrective Action: Jan Bauman (term beginning 2015)  
Contact Phone Number: 260-925-2362

We concur with the finding.

#### Description of Corrective Action Plan:

In 2015 we set up two funds in the 2800 series: one for Local Road and Street investments, and another for a Highway investment fund. Investment monies now get transferred in and out to reflect when an investment is made and cashed in. *Item corrected.*

We will eliminate the Total Monies Invested Fund.

We understand the unintentional errors in posting to CAGIT and Life Insurance funds and will make appropriate corrections.

We will require Probation and Sunny Meadows to bring their bank statement, ledger report *and* reconciliation to us when it is time to add the Supplemental CAR data to the AFR so we can make sure they have correct beginning and ending balances.

We will do our best to work with Community Corrections and our software vendor to change Community Corrections' funds from "fiscal" to "calendar" in the financial software.

*Anticipated Completed Date: 10-31-17*

## FINDING 2014-002 –INTERNAL CONTROLS OVER PAYROLL PROCESSING

Contact Person Responsible for Corrective Action: Jan Bauman (term beginning 2015)

Contact Phone Number: 260-925-2362

We concur with the finding.

### Description of Corrective Action Plan:

In 2015, segregation of duties began to be addressed. A second payroll processing clerk began assisting in the processing of bi-weekly payroll. In 2016, the payroll department and processes underwent a complete re-evaluation. By October 2016, drastic measures had been taken to correct deficiencies.

There is a segregation of duties in that two employees verify payroll reports independently of one another and sign their respective reports. *Item corrected.*

Under the guidance of State Board of Accounts in 2014, several issues with payroll withholding funds were researched and corrected. The Auditor and First Deputy have evaluated and monitored payroll withholding funds and have made corrections when necessary. A protocol has been put into place between the HR Department and the Auditor's Office to communicate and monitor changes that need to be made to payroll records. An audit report is regularly run before payroll is distributed to monitor changes and make corrections to individual employee pay records when necessary. The practices will continue. *Item corrected.*

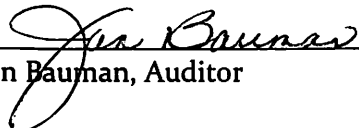
The Auditor and/or First Deputy verify that payroll is paid and posted to the proper funds. When errors are found, they are corrected immediately. Payroll vouchers are being created for all payroll expenditures—employee pay and vendor payments, whether by physical check, ACH, or electronic funds transfer. Vouchers are also being approved by the Commissioners. The Commissioners now see and verify the funds from which employees are paid as well as all payroll withholdings. *Item corrected.*

A salary ordinance separate from the County budget was passed for calendar year 2015, calendar year 2016, and is about to be passed for calendar year 2017. *Item corrected.*

We need to determine the best way to reconcile Employee Service Records (General Payroll Form no. 99A) with employee earnings records. We are confident that leave time is being used in accordance with the County's Personnel Policy.

We have been going through each department to see who has not been submitting timesheets. There are only a couple of individuals remaining that need to begin submitting one. And, we are working with a department to instruct the department head on what information is not being reported properly.

*Anticipated Completed Date: 10/31/17*

  
\_\_\_\_\_  
Jan Bauman, Auditor  
*10-20-16*  
\_\_\_\_\_  
Date

COUNTY AUDITOR  
DEKALB COUNTY  
AUDIT RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

Deficiencies noted in the overdrawn cash balances of the County related to financial transactions and reporting during the prior audit report (B44949) were still present during the current audit period.

The financial statements presented in the Financial Statement and Federal Single Audit Report of the County included the following funds with overdrawn cash balances at December 31, 2014:

Fund	Amount Overdrawn
Alternative Dispute Resolution	\$ 5,285
Self Insurance	368,325
Federal Taxes	171
FICA	105
Comm Corrections State Grant	404

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)

**APPROPRIATIONS**

Deficiencies noted in the appropriations of the County related to financial transactions and reporting during the prior audit report (B44949) were still present during the current audit period.

The records presented for audit indicated the following expenditures in excess of budgeted appropriations for the year 2014:

Fund	Excess Amount Expended
General	\$ 66,524
DEBT SERVICE-Central Comm	275
DEBT SVC-Central Comm Equipt	246,000
Health	5,746
Cum Capital Development	273,464
Statewide 911	490,697
Supp Adult Probation	1,130
Pre Trial Diversion	7,996

The records presented for audit indicated the following funds were expended without appropriation for the year 2014 by the County Council:

COUNTY AUDITOR  
DEKALB COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Fund	Excess Amount Expended
Co Elected Officials Training	\$ 1,421
Flood Mitigation/Holiday Lakes	38,969
Community Transitional 2012	9,726
State Grant CC 2013-2014	149,298
Project Income 2013-2014	133,871
CTP 2013-2014	35,489
Home Detention/Project Income	46,115
State Grant CC 2014-2015	125,259
Project Income 2014-2015	90,386
CTP 2014-2015	4,149
83.534 St Homeland Security Gr	7,798
20.601 Operation Pullover	11,848
66.818 Brownfield Assmt Grant	63,076
20.509 DART Program Grant	264,930

The unit's Location Budget report did not reflect the actual budget activity for all funds and all budgetary actions such as additional appropriations, budgetary transfers, etc.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

Indiana Code 36-2-5-2(b) states: "The county fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law."

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 14)

***DRAINAGE FUNDS - CONDITION OF RECORDS***

Financial records of the General Drain Improvement and Drainage Maintenance Funds were incomplete for the year 2014. Subsidiary ledgers were not maintained for either fund showing transactions for individual drains.

COUNTY AUDITOR  
DEKALB COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

Although all receipts to and all disbursements from the General Drain Improvement Fund will be posted to the fund ledger sheet kept for that purpose in the General Ledger, it is required that a control also be kept on a subsidiary ledger sheet (Form 63C). Every disbursement from the General Drain Improvement Fund, whether for construction, reconstruction or maintenance shall be posted to a separate sheet in this record by name of drain. (Accounting and Uniform Compliance Guidelines Manuals for Public Drainage Funds, Chapter 4)

A separate sheet is to be kept for each drain on which an assessment for annual maintenance has been made. Also, a separate sheet is to be kept for each drain on which expense for maintenance has been paid from the General Drain Improvement Fund, this being for the purpose of showing the sum the maintenance fund for each drain owes the General Drain Improvement Fund. Although all receipts to and disbursements from the Maintenance Funds will be posted to the fund ledger sheet kept for that purpose in the General Ledger, it is required that a control also be kept on a subsidiary ledger sheet (Form 63CM). (Accounting and Uniform Compliance Guidelines Manual for Public Drainage Funds, Chapter 4)

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 Auditors of Indiana, Chapter 14)

**GENERAL DRAIN IMPROVEMENTS – DISBURSEMENTS**

Unauthorized uses in the amount of \$132,995 were disbursed from drainage funds for GPS equipment and software.

Indiana Code 36-9-27-73(a) states in part:

"There is established in each county a general drain improvement fund, which shall be used to pay the cost of:

1. constructing or reconstructing a regulated drain under this chapter; and
2. removing obstructions from drains under IC 36-9-27.4.

In addition, if a maintenance fund has not been established for a drain or if a maintenance fund has been established and it is insufficient, the general drain improvement fund shall be used to pay the deficiency. . . ."

COUNTY AUDITOR  
DEKALB COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2016, with Donald D. Grogg, President of the Board of County Commissioners; Alan Middleton, President of the County Council; and Jan Bauman, County Auditor.

COUNTY PROSECUTOR  
DEKALB COUNTY

COUNTY PROSECUTOR  
DEKALB COUNTY  
FEDERAL FINDING

***FINDING 2014-003 - 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): FY 2014  
Pass-Through Entity: Indiana Department of Child Services

*Condition*

Management of the Prosecuting Attorney's office had not established an effective internal control system over compliance requirements relating to Allowable Costs/Cost Principles. The Prosecuting Attorney's office entered into a agreement with the Child Support Bureau (CSB), which required the Prosecuting Attorney's office to comply with the Allowable Costs/Cost Principles requirements.

*Context*

There were no periodic certifications completed for full time employees during the audit period. The Prosecuting Attorney's office was not aware of this requirement until the time of audit.

*Criteria*

OMB Circular A-87, Attachment B, item 8h(3), states:

"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."

COUNTY PROSECUTOR  
DEKALB COUNTY  
FEDERAL FINDING  
(Continued)

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. . . ."

*Cause*

Management had not developed a system of internal controls that ensured time and effort compliance requirements were met.

*Effect*

The failure to establish controls enabled material misstatements or irregularities to remain undetected which could have resulted in the loss of federal funds to the County.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the Prosecuting Attorney's office establish internal controls related to the grant agreement and Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

PROSECUTING ATTORNEY

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75<sup>TH</sup> JUDICIAL CIRCUIT

CLARAMARY WINEBRENNER –  
PROSECUTOR



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DEKALB COUNTY, INDIANA

1<sup>ST</sup> FLOOR COURTHOUSE

AUBURN, IN 46706

(260) 925-1646

October 21, 2016

In re: Corrective Action Plan for Federal Audit Finding 2014-003

Apparently, my Title IV-D Office was supposed to fill out some forms two years ago, forms that are no longer required. Since they are no longer required, we are already in compliance.

As to the purpose of said forms, we were supposed to certify that my child support enforcement caseworkers were only working on child support enforcement because their salaries were largely reimbursed by the federal government for that purpose. They complied—and still do-- with the law and our agreement. We simply failed to tell you we were complying.

Finally, the staff at the DeKalb County Title IV-D Office does a fantastic job collecting child support for this federal project. Our numbers are some of the best in the state. They deserve kudos, not “findings” for this paper deficiency.

A handwritten signature in black ink, appearing to read "ClaraMary Winebrenner".

ClaraMary Winebrenner  
Prosecutor

COUNTY PROSECUTOR  
DEKALB COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 19, 2016, with ClaraMary Winebrenner, County Prosecutor, and also on October 20, 2016, with Donald D. Grogg, President of the Board of County Commissioners, and Alan Middleton, President of the County Council.

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COUNTY SHERIFF  
DEKALB COUNTY

COUNTY SHERIFF  
DEKALB COUNTY  
AUDIT RESULT AND COMMENT

***SUPPORTING DOCUMENTATION***

We noted the March 18, 2014 credit card payment for Sheriff Commissary expenses to Wells Fargo in the amount of \$516.26 did not include supporting documentation (detailed receipts or invoices) to support the purchases shown on the credit card statement.

Due to the lack of supporting information, we could not verify the purpose of the disbursement.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY SHERIFF  
DEKALB COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2016, with Donald Lauer, County Sheriff; Donald D. Grogg, President of the Board of County Commissioners; and Alan Middleton, President of the County Council.

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COUNTY COUNCIL  
DEKALB COUNTY

COUNTY COUNCIL  
DEKALB COUNTY  
AUDIT RESULT AND COMMENT

**APPROPRIATIONS**

Deficiencies noted in the appropriations of the County related to financial transactions and reporting during the prior audit report (B44949) were still present during the current audit period.

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DEBT SVC-Central Comm Equipt	246,000
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CTP 2013-2014	35,489
Home Detention/Project Income	46,115
State Grant CC 2014-2015	125,259
Project Income 2014-2015	90,386
CTP 2014-2015	4,149
83.534 St Homeland Security Gr	7,798
20.601 Operation Pullover	11,848
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20.509 DART Program Grant	264,930

COUNTY COUNCIL  
DEKALB COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

The unit's Location Budget report did not reflect the actual budget activity for all funds and all budgetary actions such as additional appropriations, budgetary transfers, etc.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

Indiana Code 36-2-5-2(b) states: "The county fiscal body shall appropriate money to be paid out of the county treasury, and money may be paid out of the treasury only under an appropriation made by the fiscal body, except as otherwise provided by law."

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 Counties of Indiana, Chapter 1)

COUNTY COUNCIL  
DEKALB COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2016, with Donald D. Grogg, President of the Board of County Commissioners, and Alan Middleton, President of the County Council.

COUNTY DRAINAGE BOARD  
DEKALB COUNTY

COUNTY DRAINAGE BOARD  
DEKALB COUNTY  
AUDIT RESULT AND COMMENT

**GENERAL DRAIN IMPROVEMENTS - DISBURSEMENTS**

Unauthorized uses in the amount of \$132,995 were disbursed from drainage funds for GPS equipment and software.

Indiana Code 36-9-27-73(a) states in part:

"There is established in each county a general drain improvement fund, which shall be used to pay the cost of:

1. constructing or reconstructing a regulated drain under this chapter; and
2. removing obstructions from drains under IC 36-9-27.4.

In addition, if a maintenance fund has not been established for a drain or if a maintenance fund has been established and it is insufficient, the general drain improvement fund shall be used to pay the deficiency. . . ."

COUNTY DRAINAGE BOARD  
DEKALB COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 19, 2016, with Randall J. Deetz, President of the County Drainage Board, and Brenda F. Myers, Administrative Assistant, and also on October 20, 2016, with Donald D. Grogg, President of the Board of County Commissioners, and Alan Middleton, President of the County Council.