

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

VIGO COUNTY, INDIANA

January 1, 2015 to December 31, 2015



FILED
09/01/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
County Auditor:	
Federal Finding:	
Finding 2015-001 - Preparation of the Schedule of Expenditures of Federal Awards	6
Corrective Action Plan	7
Exit Conference	8
County Sheriff:	
Audit Result and Comment:	
Bank Account Reconciliations - Sheriff's Trust Account	10
Exit Conference	11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Timothy M. Seprodi	01-01-13 to 12-31-16
	James W. Bramble	01-01-17 to 12-31-20
County Treasurer	James W. Bramble	01-01-13 to 12-31-16
	Nancy Allsup	01-01-17 to 12-31-20
Clerk of the Circuit Court	David R. Crockett	01-01-13 to 12-31-16
	Bradley M. Newman	01-01-17 to 12-31-20
County Sheriff	Gregory T. Ewing	01-01-15 to 12-31-18
County Recorder	Nancy Allsup	01-01-13 to 12-31-16
	Stacey J. Fueston	01-01-17 to 12-31-20
President of the Board of County Commissioners	Judith A. Anderson	01-01-15 to 12-31-17
President of the County Council	Rick Burger	01-01-15 to 12-31-16
	Bill Thomas	01-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF VIGO COUNTY, INDIANA

This report is supplemental to our audit report of Vigo County (County), for the period from January 1, 2015 to December 31, 2015. 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 instance 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

July 13, 2017

(This page intentionally left blank.)

COUNTY AUDITOR
VIGO COUNTY

COUNTY AUDITOR
VIGO COUNTY
FEDERAL FINDING

**FINDING 2015-001 - PREPARATION OF THE SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS**

Repeat Finding

This is a repeat of Finding 2014-002 from the immediate prior year.

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). One individual independently prepared the SEFA for inclusion in the financial report without any oversight, review, or approval process to verify the accuracy of the information and amounts.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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 could have remained undetected.

Views of Responsible Officials

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



Vigo County Auditor
VIGO COUNTY ANNEX
131 OAK STREET
TERRE HAUTE, INDIANA 47807
(812) 462-3361 FAX: (812) 231-0091

James W Bramble
James.bramble@vigocounty.in.gov

Cheryl Loudermilk, Chief Deputy Auditor
cheryl.loudermilk@vigocounty.in.gov

July 6, 2017

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: James Bramble

Contact Phone Number: 812-462-3361

Views of Responsible Official: We concur with the finding

Corrective Action Plan:

We do understand the necessity of maintaining a system of internal controls which provides a reasonable assurance regarding the reliability of financial information and records

In order to prevent misstatements in the future, it is our plan to provide adequate training for new employees involved in the administration and reporting of federal awards. We will also require more extensive review of the work product for these employees.

Anticipated Completion Date: 12/31/17

James W Bramble, CPA
Vigo County Auditor

COUNTY AUDITOR
VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2017, with Timothy M. Seprodi, former County Auditor; James W. Bramble, County Auditor; Judith A. Anderson, President of the Board of County Commissioners; Bill Thomas, President of the County Council; Jon R. Marvel, County Commissioner; Brad Anderson, County Commissioner; and Michael J. Wright, County Attorney.

COUNTY SHERIFF
VIGO COUNTY

COUNTY SHERIFF
VIGO COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILIATIONS - SHERIFF'S TRUST ACCOUNT

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation did not balance. The fund balance was short by \$133.95 at December 31, 2015.

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."

COUNTY SHERIFF
VIGO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2017, with Dee Smiley, Jail Matron; Nancy C. Roberts, Officer Manager; Judith A. Anderson, President of the Board of County Commissioners; Bill Thomas, President of the County Council; Jon R. Marvel, County Commissioner; Brad Anderson, County Commissioner; and Michael J. Wright, County Attorney.