

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

LAGRANGE COUNTY, INDIANA

January 1, 2017 to December 31, 2017



**FILED**  
10/17/2018



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Department of Health:	
Federal Finding:	
Finding 2017-001	
WIC Special Supplemental Nutrition Program for Women, Infants, and Children - Cash Management .....	6-7
Corrective Action Plan .....	8
Exit Conference .....	9
Clerk of the Circuit Court:	
Audit Result and Comment:	
Supplemental County Annual Report (CAR-1) .....	12
Exit Conference .....	13

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kay Myers	01-01-15 to 12-31-18
County Treasurer	Jamesi Lemon	01-01-17 to 12-31-20
Clerk of the Circuit Court	Bonnie Brown	01-01-17 to 12-31-20
County Sheriff	Jeffrey Campos	01-01-15 to 12-31-18
County Recorder	Jennifer McBride	01-01-17 to 12-31-20
President of the Board of County Commissioners	Larry Miller	01-01-17 to 12-31-18
President of the County Council	Peter Cook	01-01-17 to 12-31-18



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF LAGRANGE COUNTY, INDIANA

This report is supplemental to our audit report of LaGrange County (County), for the period from January 1, 2017 to December 31, 2017. 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, was 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, was not verified for accuracy.

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

September 10, 2018

(This page intentionally left blank.)

DEPARTMENT OF HEALTH  
LAGRANGE COUNTY

DEPARTMENT OF HEALTH  
LAGRANGE COUNTY  
FEDERAL FINDING

***FINDING 2017-001***

Subject: WIC Special Supplemental Nutrition Program for Women,  
Infants, and Children - Cash Management

Federal Agency: Department of Agriculture

Federal Program: WIC Special Supplemental Nutrition Program for Women, Infants, and Children

CFDA Number: 10.557

Federal Award Numbers and Years (or Other Identifying Numbers): 40010557WICAD16, 40010557WPCG016,  
40010557WICAD17, 40010557WPCG017,  
40010557WICAD18, 40010557WPCG018

Pass-Through Entity: Indiana State Department of Health

Compliance Requirement: Cash Management

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement. The County did not have effective controls to monitor the net cash resources of the funds and failed to ensure that the expenditures had occurred prior to submitting the expenditures on the monthly reimbursement requests. The Requests for Reimbursement included monthly space and communication costs that were incurred but not paid by the County.

*Context*

The lack of internal controls and noncompliance were systemic issues during the entire 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). . . ."

DEPARTMENT OF HEALTH  
LAGRANGE COUNTY  
FEDERAL FINDING  
(Continued)

2 CFR 200.305(b) states in part:

"For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. . . .

- (3) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per § 200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. This method may be used on any Federal award for construction, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Cash Management compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish controls related to the grant agreement and the Cash Management compliance requirement.

*Views of Responsible Officials*

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

LaGrange County WIC Program  
304 N. Townline Rd.  
LaGrange, IN 46761  
260-499-4182 ext 3

---

CORRECTIVE ACTION PLAN

**FINDING 2017-001**

Contact Person Responsible for Corrective Action: Michelle Tennant, RN, WIC Coordinator

Contact Phone Number: 260-499-4182

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Requests for Space Costs reimbursement will not be submitted until the WIC Coordinator has received and reviewed a Transaction Report from the LaGrange County Auditor's Office which includes charges the County of LaGrange has paid for utilities and/or services incurred by the LaGrange County Health Department Building at 304 North Townline Road, LaGrange IN 46761. The request for reimbursement will then be calculated as a percentage of the total charges consistent with the percentage of the building the LaGrange County WIC Office occupies.

Anticipated Completion Date: Immediately

Michelle Tennant, RN  
LaGrange County WIC Coordinator  
August 9, 2018

Michelle Tennant, RN  
(Signature)

WIC Coordinator  
(Title)

8/9/18  
(Date)

DEPARTMENT OF HEALTH  
LAGRANGE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2018, with Michelle Tennant, WIC Coordinator; Kay Myers, County Auditor; Kathy Hopper, Deputy County Auditor; Larry Miller, President of the Board of County Commissioners; Peter Cook, President of the County Council; Terry Martin, County Commissioner; Charles Ashcraft, County Council member; George Bachman, County Council member; Harold Gingerich, County Council member; Jeff Brill, County Council member; Steven McKowen, County Council member; and Mike Strawser, County Council member.

(This page intentionally left blank.)

CLERK OF THE CIRCUIT COURT  
LAGRANGE COUNTY

CLERK OF THE CIRCUIT COURT  
LAGRANGE COUNTY  
AUDIT RESULT AND COMMENT

***SUPPLEMENTAL COUNTY ANNUAL REPORT (CAR-1)***

The Clerk of the Circuit Court's Supplemental Annual Report (CAR-1) for 2017 was filed using incorrect amounts. The County Auditor used the information from the CAR-1 reports for reporting on the County's Annual Financial Report (AFR), which was submitted through the Indiana Gateway for Government Units (Gateway) financial reporting system. Gateway is the source of the County's financial statement. As a result of using the incorrect amounts from the CAR-1, the information on the 2017 AFR and financial statement were incorrect. Adjustments to correct these errors were made to the financial statement and were approved by the County's management.

Indiana Code 5-11-1-4(a) 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](#)."

CLERK OF THE CIRCUIT COURT  
LAGRANGE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2018, with Bonnie Brown, Clerk of the Circuit Court; Kay Myers, County Auditor; Kathy Hopper, Deputy County Auditor; Larry Miller, President of the Board of County Commissioners; Peter Cook, President of the County Council; Terry Martin, County Commissioner; Charles Ashcraft, County Council member; George Bachman, County Council member; Harold Gingerich, County Council member; Jeff Brill, County Council member; Steven McKowen, County Council member; and Mike Strawser, County Council member.