

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

HENRY COUNTY, INDIANA

January 1, 2016 to December 31, 2016



FILED
10/26/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia A. French	01-01-15 to 12-31-18
County Treasurer	Byron G. Bundy	01-01-15 to 12-31-18
Clerk of the Circuit Court	Debra A. Walker	01-01-15 to 12-31-18
County Sheriff	Ric McCorkle	01-01-15 to 12-31-18
County Recorder	Linda C. Winchester	01-01-15 to 12-31-18
President of the Board of County Commissioners	Joseph Yanos Bruce (Butch) Baker	01-01-16 to 12-31-16 01-01-17 to 12-31-18
President of the County Council	Nate LaMar	01-01-16 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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TO: THE OFFICIALS OF HENRY COUNTY, INDIANA

This report is supplemental to our audit report of Henry County (County), for the period from January 1, 2016 to December 31, 2016. 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 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

September 18, 2018

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COUNTY AUDITOR
HENRY COUNTY

COUNTY AUDITOR
HENRY COUNTY
FEDERAL FINDING

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-001.

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 had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's SEFA. The Deputy County Auditor prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

Context

The SEFA presented for audit contained the following errors:

1. Subrecipient amounts reported for the Equitable Sharing program totaling \$81,381 were not included.
2. State and other non-federal expenditures were included, causing an overstatement of \$31,947.
3. Expenditures for the Child Support Enforcement Program were overstated by \$33,143.
4. Program names, pass through entities, identifying numbers, and CFDA numbers were not always accurate.

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

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.

COUNTY AUDITOR
HENRY COUNTY
FEDERAL FINDING
(Continued)

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. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

COUNTY AUDITOR
HENRY COUNTY
FEDERAL FINDING
(Continued)

Cause

The County's management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

The failure to establish and properly implement internal controls enabled material misstatements to go undetected. The SEFA contained the error identified in the *Context*.

Recommendation

We recommended that the County's management establish controls to ensure accurate reporting of the SEFA.

Views of Responsible Officials

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

Patricia A. French
Henry County Auditor
101 South Main Street
New Castle IN 47362
(765) 529-2800

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Patricia A. French
Contact Phone Number: (765) 529-2800

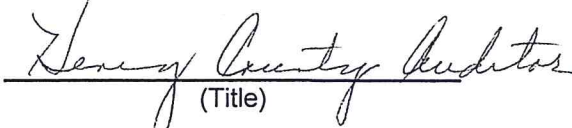
Views of Responsible Official: Patricia A. French

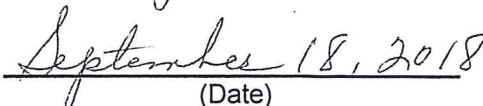
Description of Corrective Action Plan:

We concur with the finding. The SEFA schedule for 2016 has been corrected. Unfortunately, the timeliness of our audit, we had no opportunity to correct the SEFA schedule. The Auditor and the Chief Deputy Auditor for internal controls both separately check the SEFA schedule so it is monitored and reviewed. We have always strived to adhere to internal control procedures for Henry County.

Anticipated Completion Date: Correction completed in 2017.


Patricia A. French
(Signature)


Henry County Auditor
(Title)


September 18, 2018
(Date)

COUNTY AUDITOR
HENRY COUNTY
AUDIT RESULTS AND COMMENTS

REDEVELOPMENT COMMISSION FUNDS

During the audit of the financial statements, we noted three funds relating to the Redevelopment Commission were included on the financial statement, but were not included in the ledger.

Indiana Code 36-7-14-8(b) states in part:

"The fiscal officer of the unit establishing a redevelopment commission is the treasurer of the redevelopment commission. Notwithstanding any other provision of this chapter, but subject to subsection (c), the treasurer has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the redevelopment commission in accordance with the requirements of state laws that apply to other funds and accounts administered by the fiscal officer. . . ."

All financial transactions pertaining to the unit should be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

INTERNAL CONTROL CERTIFICATION

The County's Gateway certification on the training on internal control standards was not made correctly. The County had trained on the standards, but certified that they had not.

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](#)."

COUNTY AUDITOR
HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2018, with Patricia A. French, County Auditor; Bruce (Butch) Baker, President of the Board of County Commissioners; Richard Bouslog, County Council member; Joseph Yanos, County Commissioner; Byron G. Bundy, County Treasurer; and Cheryl L. Scales, Chief Deputy County Auditor.

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COUNTY SHERIFF
HENRY COUNTY

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS

FINDING 2016-002

Subject: Equitable Sharing Program - Level of Effort,
Reporting, Suspension and Debarment
Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): IN0330000-2016
Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting;
Procurement and Suspension and Debarment
Audit Finding: Material Weakness

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 compliance requirements listed above.

Level of Effort

The County had one employee primarily responsible for monitoring compliance with level of effort requirements. There was no segregation of duties documented, such as an oversight, review or approval process, or other compensating control.

Reporting

An error was initially submitted on the Equitable Sharing Agreement and Certification and was resubmitted subsequent to the audit period to correct the information reported. Internal controls were ineffective in detecting this error.

Suspension and Debarment

The County had one employee primarily responsible for verifying that entities were not suspended or debarred when entering into covered transactions. There was no segregation of duties, such as an oversight, review or approval process, or other compensating control.

Context

The lack of internal controls was a systemic issue throughout the 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). . . ."

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS
(Continued)

Cause

Management had not developed a system of internal controls that would have ensured compliance with the level of effort, reporting, and suspension and debarment requirements.

Effect

The failure to establish an effective internal control system placed the County at risk of non-compliance with the grant agreement and the level of effort, reporting, and suspension and debarment requirements.

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 compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2016-003

Subject: Equitable Sharing Program - Activities Allowed or Unallowed

Federal Agency: Department of Justice

Federal Program: Equitable Sharing Program

CFDA Number: 16.922

Federal Award Number and Year (or Other Identifying Number): IN0330000-2016

Compliance Requirement: Activities Allowed or Unallowed

Audit Findings: Material Weakness, Modified Opinion

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 Activities Allowed or Unallowed compliance requirement. Grant expenditures were reviewed by the department head and the Board of County Commissioners; however, the controls in place did not detect noncompliance.

The County did not comply with the Activities Allowed or Unallowed compliance requirement. The subrecipient of the County paid the salary and fringe benefits of an officer assigned to the PACE team from program funds. These costs of \$22,015 were unallowed and were considered questioned costs because equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel.

Context

The lack of internal controls and noncompliance were systemic issue throughout the audit period.

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS
(Continued)

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). . . ."

The U.S. Department of Justice's Guide to Equitable Sharing for State and Local Law Enforcement Agencies pp. 17-22 states in part:

"Shared funds may be used for any permissible agency expenditure and may be used by both sworn and non-sworn law enforcement personnel, except as noted in salaries. The fact that shared property was forfeited by a particular unit or as a result of a particular federal violation does not limit its use to purchases only for that unit or to further investigations only for that particular federal violation. If an agency wishes to support a multi-agency expenditure, such as a new payroll system or city municipal building, with a non-law enforcement agency, the law enforcement agency's costs based on its use may be calculated on a pro-rata basis. . . ."

3. Salaries

Equitable sharing funds may not be used to pay the salaries and benefits of sworn or non-sworn law enforcement personnel. The purpose of this rule is to protect the integrity of the Asset Forfeiture and Equitable Sharing Programs so that the prospect of receiving equitable sharing funds does not influence, or appear to influence, law enforcement decisions.

Exceptions: Equitable sharing funds may be used to pay the salaries and benefits of current law enforcement officers and personnel in the limited situations listed below.

Task force agencies may only pay salaries as a match to a federal grant or officer overtime. To avoid a conflict of interest, at no time can a task force member's full salary be paid with equitable sharing funds.

(1) **Matching federal grants**—Shared funds may be used to pay the match requirement for the salaries and benefits of current sworn and non-sworn law enforcement personnel funded by federal grant programs.

(2) **Overtime of officers and investigators**—Shared funds may be used to pay the overtime and benefits of current sworn and non-sworn law enforcement personnel involved in law enforcement operations.

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS
(Continued)

(3) Salary of an officer hired to replace an officer assigned to a task force— Shared funds may be used to pay the salary and benefits of current, sworn law enforcement officers hired to fill vacancies created when a law enforcement agency assigns officers to a task force. The replacement officer cannot engage in the seizure of assets or narcotics law enforcement as a principal duty. A principal duty is a duty that the officer is expected to perform regularly.

In order to pay the replacement officer's salary with equitably shared funds, the task force to which the agency assigned an officer must be a law enforcement entity constituted under federal, state, or local law that is primarily engaged in specific and targeted law enforcement activities involving more than one law enforcement agency. In addition, the chief law enforcement officer of the agency assigning an officer must not maintain direct day-to-day operational control of the task force although he or she may participate in the policy-level control of such task force.

When a law enforcement agency has assigned an officer and paid for the replacement as specified above, and it becomes necessary to return the officer from the task force, the law enforcement agency may continue to use forfeited funds to pay for the salary and benefits of the replacement officer for a period not to exceed six months. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed compliance requirement.

Effect

The failure to establish an effective internal control system placed the County in noncompliance with the grant agreement and the Activities Allowed or Unallowed compliance requirement.

Questioned Costs

Known questioned costs of \$22,015 were identified.

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the Activities Allowed or Unallowed compliance requirement.

Views of Responsible Officials

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

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS
(Continued)

FINDING 2016-004

Subject: Equitable Sharing Program - Subrecipient Monitoring
Federal Agency: Department of Justice
Federal Program: Equitable Sharing Program
CFDA Number: 16.922
Federal Award Number and Year (or Other Identifying Number): IN033000-2016
Compliance Requirement: Subrecipient Monitoring
Audit Findings: Material Weakness, Modified Opinion

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 Subrecipient Monitoring compliance requirement.

A portion of equitable sharing funds received by the County was transferred to other law enforcement agencies who participated on the PACE team. The County did not comply with subrecipient monitoring requirements to ensure that the law enforcement agencies complied with federal requirements. The County reviewed reimbursement requests submitted by the law enforcement agencies, but the supporting documentation presented was not sufficient to ensure that the law enforcement agencies complied with the program requirements. No evidence of site visits or other monitoring procedures was presented for audit.

The County's monitoring procedures did not detect that funds transferred to other law enforcement agencies were used for unallowable purposes. Salary and fringe benefits of \$22,015 were paid to an officer assigned to the PACE team as discussed in Finding 2016-003.

Context

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

2 CFR 200.331 states in part:

"All pass-through entities must: . . ."

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. . . ."

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS
(Continued)

Cause

Management had not developed a system of internal controls that would have ensured compliance with the subrecipient monitoring requirements.

Effect

The failure to establish an effective internal control system placed the County in noncompliance with the grant agreement and the Subrecipient Monitoring compliance requirement.

Questioned Costs

Known questioned costs of \$22,015 were identified as discussed in Finding 2016-003.

Recommendation

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

Views of Responsible Officials

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

FINDING 2016-005

Subject: Equitable Sharing Program - Special Tests and Provisions

Federal Agency: Department of Justice

Federal Program: Equitable Sharing Program

CFDA Number: 16.922

Federal Award Number and Year (or Other Identifying Number): IN033000-2016

Compliance Requirement: Special Tests and Provisions

Audit Findings: Material Weakness, Modified Opinion

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 Special Tests and Provisions compliance requirement. The County did not comply with the special tests and provisions as follows:

1. The County did not maintain separate revenue accounts or accounting codes to be used solely for Equitable Sharing Program funds.
2. Equitable Sharing Program funds were commingled with funds from other sources.
3. Interest income earned on Equitable Sharing Program funds was not receipted into the funds used to account for the shared funds.

Context

The lack of internal controls and noncompliance were systemic issues, which occurred throughout the audit period.

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS
(Continued)

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). . . ."

The U.S. Department of Justice's Guide to Equitable Sharing for State and Local Law Enforcement Agencies p. 26 states in part:

"The state or local participating law enforcement agency must:

1. Establish a separate revenue account or accounting code through the agency's finance department for the proceeds from the Department of Justice Equitable Sharing Program. This account or accounting code will be used solely for funds from the Department of Justice Equitable Sharing Program. No other funds may be included in this account or with this accounting code. . . .
2. Not commingle Department of Justice equitable sharing funds with funds from any other source. Corrective measures must be taken if this occurs.
3. Deposit any interest income earned on equitably shared funds in the same revenue account or under the accounting code established solely for the shared funds.
4. Maintain a log and copies of all Forms DAG-71 forwarded to the Department of Justice. A consecutive numbering system should be used for control purposes. The log should contain seizure type (property or currency), amount, share amount requested, amount received, and date received.
5. Update the log when an E-Share notification is received. The amount received may differ from the amount requested. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions compliance requirement.

Effect

The failure to establish an effective internal control system placed the County in noncompliance with the grant agreement and the Special Tests and Provisions compliance requirement.

Questioned Costs

There were no questioned costs identified.

COUNTY SHERIFF
HENRY COUNTY
FEDERAL FINDINGS
(Continued)

Recommendation

We recommended that the County's management establish controls related to the grant agreement and the Special Tests and Provisions compliance requirement.

Views of Responsible Officials

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



RIC McCORKLE
SHERIFF

OFFICE OF HENRY COUNTY SHERIFF

127 North 12th Street New Castle, IN 47362

Law Enforcement Division

112 S Main Street, New Castle, IN 47362

September 11, 2018

Corrective Action Plan

Finding 2016-002

Fiscal year in which the finding initially occurred: 2016

Federal Grantor Agency: Department of Justice

Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include subrecipient monitoring and management and all employees who may handle income or disbursements have completed and signed off on training. A copy of the status of each participating agency shall be included with the claim submitted for payment to the auditor for control and verification.

Finding 2016-003

Fiscal year in which the finding initially occurred: 2014

Federal Grantor Agency: Department of Justice

Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include internal controls that reference the Guide to Equitable Sharing allowable purchases. The Matron shall as the identified accounting contact for the US Dept of Justice shall insure all updates and or changes are made to 16-1-37 if applicable and meet the federal requirements.

Finding 2016-004

Fiscal year in which the finding initially occurred: 2014

Federal Grantor Agency: Department of Justice

Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include internal controls that reference the Guide to Equitable Sharing allowable purchases and sub recipient monitoring. Participating agencies shall and have agreed to provide a monthly report of expenditures and claims for verification.

Finding 2016-005

Fiscal year in which the finding initially occurred: 2014

Federal Grantor Agency: Department of Justice

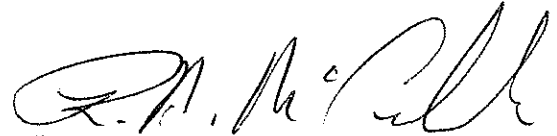
Contact Person Responsible for Corrective Action: Sheriff Ric McCorkle, Matron Rebecca Baker, Sgt James Goodwin

Contact Phone Number: 765-521-7033

Status of Audit Finding:

Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18 to include internal controls to verify the funds received, budgeted and spent are reported correctly. The treasurer opened a savings account for fund 4929 to store federal funds received on 4/25/2018 from the US Dept of Justice and shall provide a copy of the monthly bank statement for review to the matron and the auditor shall provide a transaction history by account to insure the interest is deposited.

The HC Auditor has set up a separate revenue account for US Department of Justice Funds and the HC Treasurer has deposited these funds in a separate interest-bearing bank account and interest earned shall be recorded and verified monthly from the transaction history report provided to the matron on a monthly basis. The county ordinance was also updated to reflect the separate funds and shall be monitored according the Asset Forfeiture and Seizure Fund Management 16-1-37 implemented 4-25-18. Annually, the council will be asked to state in an email that no federal forfeiture funds have been appropriated for controls.



(Signature)



(Title)



(Date)

COUNTY SHERIFF
HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2018, with Patricia A. French, County Auditor; Bruce (Butch) Baker, President of the Board of County Commissioners; Richard Bouslog, County Council member; Ed Yanos, County Commissioners; Byron G. Bundy, County Treasurer; and Cheryl L. Scales, Chief Deputy County Auditor.