

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

JENNINGS COUNTY, INDIANA

January 1, 2017 to December 31, 2017



FILED
09/25/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kay S. Vance Tessia Salsman	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Treasurer	Kitty Shepherd	01-01-17 to 12-31-20
Clerk of the Circuit Court	Mary Dorsett Kilgore Amy Thompson	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Sheriff	Gary M. Driver Kenny Freeman	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Recorder	Janice L. Ramey Mary Dorsett Kilgore	01-01-15 to 12-31-18 01-01-19 to 12-31-22
President of the Board of County Commissioners	Matt Sporleder	01-01-18 to 12-31-19
President of the County Council	Howard L. Malcomb	01-01-18 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Jennings County (County), for the year ended December 31, 2017, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated August 29, 2019, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-002, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Jennings County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 29, 2019



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Jennings County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2017. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the County, as of and for the year ended December 31, 2017, and the related notes to the financial statement. We issued our report thereon dated August 29, 2019, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.


Paul D. Joyce, CPA
State Examiner

August 29, 2019

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

JENNINGS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Department of Housing and Urban Development					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community & Rural Affairs	14.228			
CDBG Grant Burnt Pine Project			WW-15-106	\$ -	400,000
Hayeden Sewer Project			WW-13-102	-	56,383
Total - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				-	456,383
Total - Department of Housing and Urban Development				-	456,383
Department of Justice					
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
FY15 VOCA Victim Assistance Formula			D3-17-11460	-	21,423
Total - Department of Justice				-	21,423
Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Bridge Inspection Des. 1382119			Des. 1382119	-	66,879
Bridge #52			Des. 1382875	-	247,967
Total - Highway Planning and Construction				-	314,846
Total - Highway Planning and Construction Cluster				-	314,846
Highway Safety Cluster					
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601			
DUI Taskforce Indiana Grant			D3-17-11174	-	1,807
National Priority Safety Programs	Indiana Criminal Justice Institute	20.616			
2017 Operation Pull Over			D3-17-11088	-	7,987
Total - Highway Safety Cluster				-	9,794
Total - Department of Transportation				-	324,640
Department of Health and Human Services					
Hospital Preparedness Program (HPP) and Public Health	Indiana State Department of Health	93.074			
Emergency Preparedness (PHEP) Aligned Cooperative Agreements					
Public Health Preparedness			U90TP000521	-	9,023
Child Support Enforcement	Indiana Department of Child Services	93.563			
Child Support Enforcement Court IV-D 8895			2017	-	171,367
Child Support Enforcement Prosecutor IV-D 8897			2017	-	9,541
Child Support Enforcement Clerk IV-D 8899			2017	-	6,056
Total - Child Support Enforcement				-	186,964
Total - Department of Health and Human Services				-	195,987
Department of Homeland Security					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
Competitive Grant Program			EMC-2016-EP-00006	-	6,875
Total - Department of Homeland Security				-	6,875
Total federal awards expended				\$ -	1,005,308

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

JENNINGS COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

JENNINGS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse at to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2017-001

Subject: Financial Transactions and Reporting - Clerk of the Circuit Court
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-002.

JENNINGS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

There were several deficiencies in the internal control system of the Clerk of the Circuit Court (Clerk) related to financial transactions and reporting. There was a lack of segregation of duties, as the Clerk had not separated incompatible activities related to cash and investments, receipts, disbursements, and financial reporting.

Cash and Investments

The Clerk had not designed or implemented controls, including segregation of duties, to ensure the accuracy of the cash and investments balance. During the audit period, no reconciliations of the bank statement balances to the Clerk's ledger or accounting software balances were prepared.

Receipts

The Clerk had not separated incompatible activities to ensure the accuracy of the receipts. One employee received money, issued official receipts, prepared bank deposits, posted receipts, approved adjustments, and was responsible for preparing bank reconciliations. The process was completed without a documented oversight, review, or approval process.

Disbursements

The Clerk had not designed or implemented controls, including segregation of duties, related to disbursements. One employee prepared, processed, and distributed checks for the Trust. The process was completed without a documented oversight, review, or approval process to ensure the accuracy of the disbursements.

Context

The lack of controls was a systemic issue throughout the audit period.

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. . . ."

JENNINGS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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 proper system of internal controls that segregated key functions.

Effect

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

Recommendation

We recommended that the Clerk establish a system of internal controls, including segregation of duties, related to financial transactions and reporting.

Views of Responsible Officials

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

FINDING 2017-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-001.

Condition and Context

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 failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which is the source of the SEFA. One employee prepared the grant information for the federal awards without a system of oversight or review to detect and correct errors before submission.

The lack of controls was a systemic issue through the audit period.

JENNINGS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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:

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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

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could remain undetected.

Views of Responsible Officials

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

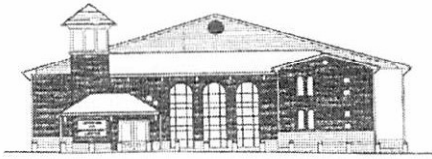
Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



Jennings County Government Center
200 East Brown Street, Vernon, IN

Vernon, IN 47282

Phone: (812) 352-3021

Tessia Salsman
Auditor of Jennings County
200 East Brown Street
P.O. Box 383

Fax: (812) 352-3032

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Tessia Salsman
Contact Phone Number: 812-352-3021

Status of Audit Finding:

Receipts

Implemented in 2017 was the application to pay. The receipt is not put in ledger until treasurer's offices has received the money. The monthly comparison report is being printed out and signed off on by the Auditor's office and Treasurer's office. This was implemented in 2017

Disbursements

The Payroll Deputy has another person review and initial that the payroll balance sheet, control totals and each payroll voucher are correct. Implemented in 2017

Financial Reporting – Financial Statement

The Auditor has the financial advisor look over the information before submitting this information to gateway. If financial advisor is not available the Auditor will have a deputy look over this information. This is documented in an email.

Schedule of Federal Award

The Auditor has the financial advisor look over the information before submitting this information to gateway. If financial advisor is not available the Auditor will have a deputy look over this information. This information is documented in an email.

Tessia Salsman

(Signature)

Auditor

(Title)

08/20/19

(Date)



Amy Thompson
P.O. Box 385
Vernon, In 47282

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Amy Thompson
Contact Phone Number: 812-352-3070

Status of Audit Finding:

In review of the Financial Transactions and Reported findings of 2016-002 from the past Clerk of the Courts, Mary Dorsett Kilgore, this newly elected Clerk, Amy Thompson has the following procedures and controls in place to provide a system of internal controls to safeguard against misstatements and irregularities.

Cash and Investments

Prior Administrations Response – Original bank account MHI added to Odyssey case management system. Two staff will prepare, review, and document.

Current administrations Procedure in place – Cash entrees are receipted upon each transaction. Each Cash payment is directly entered into Odyssey immediately per each case with a receipt generated to submitter along with current due balance and amount submitted. Each Odyssey user has individual log-ins as to verify who receipted in any payment. These transactions are available for review to all parties as well. Cash deposit amounts are generated daily from Odyssey and are reviewed, verified and signed off on daily. All cash deposits are counted, verified and signed off on by 2 deputies separately. Deposits are taken to bank daily. Investment account is registered in the Odyssey system as well. Statement is uploaded quarterly as received into gateway. This investment account is under the orders of the Judge and will not have any activity until granted by the court. Any activity will reflect in Odyssey and is documented into Odyssey as updates arise. Bank statements are reconciled monthly, outstanding check list printed and signed by preparer and additional deputy reviews and signs off.

Receipts

Prior Administration Response: Daily Report of Collections will be signed by preparer and reviewer.

Current Administrations Procedure in place - All daily receipts are signed off on as receipted in by deputy. All deposit reports are reviewed and coordinating deposits are verified and double counted by two deputies. Both then sign off per daily deposit.

Disbursements

Prior Administration Response: One staff will print check report and sign, one staff will review and verify to check register for odyssey and ISETS by signing.

Current Administrations Procedure in place - Disbursement list is generated in Odyssey daily. Deputy prints and disburses as per generated que. Disbursements are entered into Odyssey per each individual case. Odyssey submits to our generated financial report. Each transaction is available in Odyssey for review by all parties involved. All disbursements are then reconciled monthly on check register. Outstanding check list is copied, verified, signed off on and retained for review monthly.

Financial Reporting

Prior Administrations Response – CAR-1 staff will review and add documentation of such by adding signature to the clerks.

Current administrations Procedure in place - CAR-1 is completed by first deputy along with supporting documents. All is reviewed by Clerk. All are signed off on by both deputy and Clerk. These accounts are reconciled monthly along with reconciled check list printed. Checking Account statement is uploaded into Gateway via Clerks portal.

Amy D. Thompson
(Signature)

Clerk of the Circuit Court
(Title)

8/29/19
(Date)



Jennings County Treasurer's Office

Kitty Shepherd, Treasurer

200 E. Brown Street, Vernon, IN 47282
(812) 352-3060 Fax: 812 352-3064
Email: kshepherd@jenningscounty-in.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-003

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Kitty Shepherd
Contact Phone Number: 812-352-3060

Status of Audit Finding 2016-003:

In correcting the previous Audit Finding #2016-003 the following information is a statement depicting the operations of the treasurer's office as of today, August 20, 2019.

1. Cash and Investments

When taking office in 2017 the treasurer's office reconciled on a monthly basis and in 2018 the treasurer's office started reconciling daily.

The chief deputy reconciles each bank account daily and the treasurer will review for accuracy, initial and date the reconciliation documents that are included with the daily work packets that are scanned into the computer and then stored on a memory stick which is kept in the treasurer's safe.

On the last day of the month each bank account's interest is reported to the auditor and a quietus is processed.

After the bank accounts are reconciled the last day of the month, the chief deputy completes the Monthly Treasurer's Report (47-TR) and gives the report with supporting documentation to the treasurer for accuracy and signature.

The treasurer signs the report and makes copies of the report using the colored paper outlined at the bottom of the 47-TR. The treasurer distributes these copies to the auditor for the Jennings County Commissioners, Jennings County Council and the appropriate colored report for SBOA is scanned and uploaded into Gateway and submitted to State Board of Accounts.

A copy of this report is kept in the treasurer's desk as well as a copy in the monthly box of daily paperwork. This report is included into the daily paperwork that is scanned and saved.

After the monthly work packets are filed into a storage container we have another employee review the entire days work for accuracy making sure the records are complete for our internal audit process.

2. Receipts

The Chief Deputy and Deputy have their own cash drawers and accept payments.

At the end of the day the chief deputy and deputy will print their prospective daily reports. They trade their daily reports and cash drawer with each other to count each other's drawer.

They remotely deposit the other's checks and complete the deposit ticket for the bank; keeping a carbon copy for the treasurer's records.

The chief deputy takes the deposits to the bank and brings back the banks copy of deposit.

The deputy matches the treasurer's carbon deposit ticket and the banks copy of deposit with the daily deposit reports.

The deputy reviews, initials and dates the deposit tickets and the report verifying the information is correct. The deputy inputs into the cash book and completes the days posting.

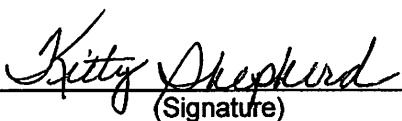
The daily packets are forwarded onto the chief deputy containing the daily deposit reports and the days deposit tickets. Once the report and deposits tickets are reviewed for accuracy verifying totals of cash and checks the deputy initials and dates the report as well. This daily work packet is sent to the treasurer for review, initialed and dated.

Once the treasurer initials and dates the final report packet included within the daily work packet is scanned and saved to a memory stick and kept in the safe.

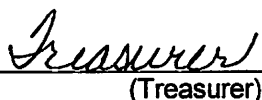
The daily work packets is put into the monthly storage container and is reviewed by another employee for accuracy making sure the records are complete for our internal audit process.

3. Financial Reporting

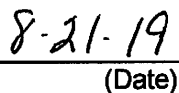
In completing the Supplemental Car-1 Report the chief deputy pulls the report from the Low Software and inputs the information into the Car-1 Report. The chief deputy completes the report and submits the Car-1 Report and supporting documentation to the treasurer for review of accuracy, the treasurer will sign and date the report and finally submit the Supplemental Car-1 Report to the Auditor.



(Signature)



(Treasurer)



(Date)

Jennings County Commissioners

200 East Brown • P.O. Box 383 • Vernon, Indiana 47282
(812) 352-3016 • Fax (812) 352-3032

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-004

Fiscal year in which the finding initially occurred: 2016

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Office of Community and Rural Affairs

Contact Person Responsible for Corrective Action: Matt Sporleder

Contact Phone Number: 812-592-5408

Status of Audit Finding:

Sub Recipient Monitoring

At this time we don't have any sub recipient grants. If we do receive any sub recipient grants the grant administrator will attend the Commissioners meetings to give a report on the sub recipient grant.

Matt Sporleder
(Signature)

Commissioner President
(Title)

8/21/2019
(Date)

Robert Willhite
First District
(812)592-0583

Dave Lane
Second District
(812) 592-2552

Matt Sporleder
Third District
(812) 592-5408



Amy Thompson
P.O. Box 385
Vernon, In 47282

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Amy Thompson
Contact Phone Number: 812-352-3070

Views of Responsible Official: Clerk, Amy Thompson implemented the following procedures and controls as of January 31, 2019 to provide a system of internal controls to safeguard against misstatements and irregularities.

Description of Corrective Action Plan:

Cash and Investments

Cash entries are receipted upon each transaction. Each Cash payment is directly entered into Odyssey immediately per each case with a receipt generated to submitter along with current due balance and amount submitted. Each Odyssey user has individual log-ins as to verify who receipted in any payment. These transactions are available for review to all parties as well. Cash deposit amounts are generated daily from Odyssey and are reviewed, verified and signed off on daily. All cash deposits are counted, verified and signed off on by 2 deputies separately. Deposits are taken to bank daily. Investment account is registered in the Odyssey system as well. Statement is uploaded quarterly as received into gateway. This investment account is under the orders of the Judge and will not have any activity until granted by the court. Any activity will reflect in Odyssey and is documented into Odyssey as updates arise. The accounts are reconciled monthly with two signatures reflecting their review.

Receipts

All daily receipts are signed off on as receipted in by deputy. All deposit reports are reviewed and coordinating deposits are verified and double counted by two deputies. Both then sign off per daily deposit.

Disbursements

Disbursement list is generated in Odyssey daily. Deputy prints and disburses as per generated que. Disbursements are entered into Odyssey per each individual case. Odyssey submits to our generated financial report. Each transaction is available in Odyssey for review by all parties involved. All disbursements are then reconciled monthly on check register. Outstanding check list is copied, verified, signed off on and retained for review monthly.

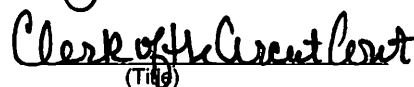
Financial Reporting

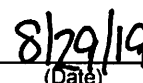
CAR-1 is completed by first deputy along with supporting documents. All is reviewed by Clerk. All are signed off on by both deputy and Clerk. These accounts are reconciled monthly along with reconciled check list printed. Checking Account statement is uploaded into Gateway via Clerks portal.

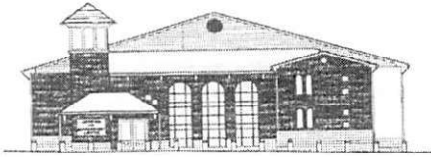
Anticipated Completion Date:

January 31, 2019


(Signature)


(Title)


(Date)



Jennings County Government Center
200 East Brown Street, Vernon, IN

Vernon, IN 47282

Phone: (812) 352-3021

Tessia Salsman
Auditor of Jennings County
200 East Brown Street
P.O. Box 383

Fax: (812) 352-3032

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Tessia Salsman
Contact Phone Number:

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan:

Schedule of Federal Award

The Auditor has the financial advisor look over the information before submitting this information to gateway. If financial advisor is not available the Auditor will have a deputy look over this information. This information is documented in an email.

Anticipated Completion Date: 2019

Tessia Salsman

(Signature)

Auditor

(Title)

08/29/19

(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.