

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

WABASH COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
09/02/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Marcie Shepherd	01-01-19 to 12-31-20
County Treasurer	LuAnn K. Layman	01-01-19 to 12-31-20
Clerk of the Circuit Court	Lori J. Draper	01-01-19 to 12-31-20
County Sheriff	Ryan Baker	01-01-19 to 12-31-20
County Recorder	Eric Rish	01-01-19 to 12-31-20
President of the Board of County Commissioners	Barry J. Eppley Brian K. Haupert	01-01-19 to 12-31-19 01-01-20 to 12-31-20
President of the County Council	Kyle Bowman	01-01-19 to 12-31-20



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 WABASH 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 Wabash County (County), for the year ended December 31, 2019, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated August 11, 2020, 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 2019-001 and 2019-002, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001.

Wabash 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 11, 2020



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 WABASH COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Wabash 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 each of its major federal programs for the year ended December 31, 2019. The County's major federal programs are 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 each of the County's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the County's compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 Each 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 each of its major federal programs for the year ended December 31, 2019.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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.

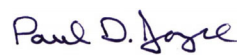
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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, 2019, and the related notes to the financial statement. We issued our report thereon dated August 11, 2020, 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 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 financial statement. 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 statement. 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 11, 2020

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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.

WABASH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

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 2016-20 CDBG Grant (8300)	Office of Community and Rural Affairs	14.228	B16DC180001	\$ -	\$ 160,164
Total - Department of Housing and Urban Development				-	160,164
Department of Justice					
Crime Victim Assistance CASA Program Grant	Indiana Criminal Justice Institute	16.575	5644-5a	-	35,098
Total - Department of Justice				-	35,098
Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction Countywide Bridge Ins & Inventory 2018-2021 (1135)	Indiana Department of Transportation	20.205	DES# 1592939	-	141,612
Total - Highway Planning and Construction Cluster				-	141,612
Federal Transit Cluster Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs Wabash Transit - Vehicle (8521)	Indiana Department of Transportation	20.526	A249-19-G180376	71,920	71,920
Total - Federal Transit Cluster				71,920	71,920
Highway Safety Cluster State and Community Highway Safety OPO 2019-(8570)	Indiana Criminal Justice Institute	20.600	OPO-2019-00122	-	8,062
Total - Highway Safety Cluster				-	8,062
Formula Grants for Rural Areas and Tribal Transit Program 2018 Wabash County Transit - (8520) 2019 Wabash County Transit - (8520)	Indiana Department of Transportation	20.509	A249-18-G170182 A249-19-G180475	48,097 196,280	48,097 196,280
Total - Formula Grants for Rural Areas and Tribal Transit Program				244,377	244,377
Total - Department of Transportation				316,297	465,971
Department of Health and Human Services					
Child Support Enforcement County IV-D Incentive (8895) Prosecutor IV-D Incentive (8897) Clerk IV-D Incentive (8899) Clerk IV-D Incent-Prior (8898) Prosecutor Expenditures Clerk Expenditures Indirect Costs	Indiana Department of Child Services	93.563	FY2019	- - - - - - -	7,800 11,208 11,304 1,500 128,574 17,684 42,982
Total - Child Support Enforcement				-	221,052
Total - Department of Health and Human Services				-	221,052
Department of Homeland Security					
Emergency Management Performance Grants EMA Equip Gt 2019-(8950) 2018 EMA Salaries Grant (8940)	Indiana Department of Homeland Security	97.042	Contract 31390 Contract 31390	- -	45,890 32,153
Total - Emergency Management Performance Grants				-	78,043
Pre-Disaster Mitigation 2016 Pre-Disaster Mitigation Grant (8960)	Indiana Department of Homeland Security	97.047	EMC-2017-PC-0004	-	16,600
Homeland Security Grant Program EMA 2018 SHSGP Grant (8980)	Indiana Department of Homeland Security	97.067	Contract 29208	-	30,000
Total - Department of Homeland Security				-	124,643
Total federal awards expended				\$ 316,297	\$ 1,006,928

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

WABASH 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, 2019. 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.

WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as 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?	yes

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
	Highway Planning and Construction Cluster	Unmodified
	Federal Transit Cluster	Unmodified
20.509	Formula Grants for Rural Areas and Tribal Transit Programs	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 2019-001

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 2018-001.

Condition and Context

The County did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA. An oversight or review process had been implemented; however, the review was not effective, as evidenced by the errors on the SEFA identified below:

Due to the lack of controls, the SEFA presented for audit contained the following errors:

1. The State Broadband Data and Development Grant Program was reported in error. The grant expenditures were overstated by \$1,000.
2. The Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii amount passed through to subrecipient amounts were overstated by \$160,164.
3. The Highway Planning and Construction grant expenditures were overstated by \$43,213.
4. The Busses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs grant expenditures were understated by \$71,920; passed through to subrecipient amounts were understated by \$71,920.
5. The Formula Grants for Rural Areas and Tribal Transit Program grant expenditures were overstated by \$71,920; passed through to subrecipient amounts were overstated by \$71,920.
6. The Child Support Enforcement grant expenditures were overstated by \$7,181.
7. Not all program names, grants, or identifying numbers were correct or reported.

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.

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. . . .

WABASH 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. . . ."

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 the 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."

Cause

Management had not established a system of internal controls that would have ensured proper reporting of the SEFA.

WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

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

FINDING 2019-002

Subject: Financial Transactions and Reporting - County Sheriff
Audit Finding: Material Weakness

Repeat Finding

This is a similar finding from the immediately prior audit report. The prior audit finding number was 2018-002.

Condition and Context

There were deficiencies in the internal control system of the County related to financial transactions and reporting of the County Sheriff Inmate Trust cash and investments and receipts. These activities were performed without an adequate system of oversight, review, or approval.

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

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliations were incomplete.

The Sheriff's Department Inmate Trust ledger activity included errors and duplicate correcting entries which were also reported on the Sheriff's Department's Supplemental Annual Financial Report (SAFR) submitted to the County Auditor for 2019. Amounts reported on the SAFR were subsequently presented on the County's financial statement on the Indiana Gateway for Government Units financial reporting system. Posting errors and subsequent correcting entries totaling \$506,189 each were recorded in both the Inmate Trust ledger receipts and disbursements. Proper internal controls in place may have safeguarded against the original inaccurate posting of the receipt.

Deposits in the Inmate Trust kiosk are handled by a commissary company. The deposits are not verified by Sheriff Department personnel to be properly matched with the correct inmate.

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:

WABASH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

"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

The County Sheriff had not established a proper system of internal controls.

Effect

The failure to establish a system of internal controls enabled misstatements or irregularities to remain undetected.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

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

Wabash County Auditor

Marcie Shepherd

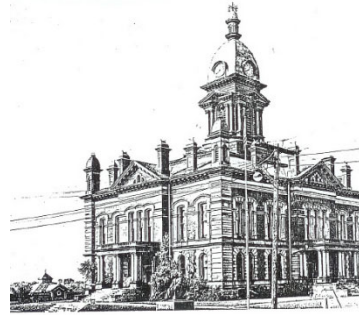
One West Hill Street

Wabash, Indiana 46992

Phone (260) 563-0661, Ext.1222

Fax (260) 563-7910

auditor@wabashcounty.in.gov



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001

Fiscal year in which the finding initially occurred:2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A

Contact Person Responsible for Corrective Action: Marcie Shepherd

Contact Phone Number: 260-563-0661 Ext 1222

Status of Audit Finding:

The grant deputy reviews the submission of the federal awards prior to entering into Gateway, and signs off on the internal spread sheet for grants. The auditor does an independent review of the grants verifying all are federal awards, the revenue is reported as actual revenue received within the year, all disbursements are captured for the year and the reporting captures all dollars in and out. The Auditor then initials or signs the form. (If a payment is received at the end of a year and the building is closed until the next year the auditor and treasurer need to make arrangements for the receipting to be completed in the year it is intended.) The grant deputy will enter the grants into gateway and the auditor will verify and the accuracy of the entries.



Wabash County Sheriff's Department

Sheriff Ryan Baker

79 West Main St., Wabash, Indiana 46992 • 1-866-288-3882 • 260-563-8891 • Fax: 260-569-9662

July 29, 2020

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-002

Fiscal year in which the finding initially occurred: 2018
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A
Contact Person Responsible for Corrective Action: Sheriff Ryan Baker
Contact Phone Number: 260-563-8891 Ext. 1222

Status of Audit Finding:

Starting in September of 2019, in order to create a better internal control over the reconciling and reporting of the Inmate Trust Fund, we implemented and have been performing the following checks and balances:

The monthly Bank Reconciliation is completed by the Matron (title change from Administrative Assistant) and reviewed and initialed by the Sheriff. I am aware of the facts that SBOA is stating regarding balancing Inmate Trust. My matron has explained the fact to me that she cannot prove she is balancing due to the inmate debit cards being "live" and the way the software publishes the information. She has assured me that she is balancing to what the software can verify also. Furthermore, I do not have inmates questioning any of their inmate trust money on their books. If there were a problem with inmate trust money, the inmates would be complaining.

Additional internal controls of disbursement checks were implemented and will continue to be performed by having a second employee review and initial all disbursement checks from the Inmate Trust Fund. We are working on implementing a "check off type system" with the jail staff for anytime a member of the jail staff is handling money, a second jail staff member will need to confirm their work.

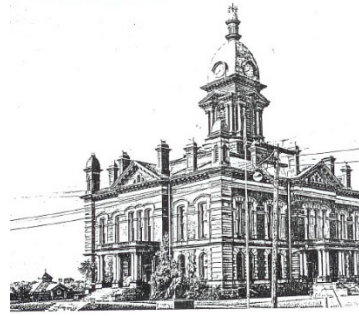
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Sheriff Ryan Baker

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see 2 CFR §200.511(b).)

Wabash County Auditor
Marcie Shepherd

One West Hill Street
Wabash, Indiana 46992
Phone (260) 563-0661, Ext.1222
Fax (260) 563-7910
auditor@wabashcounty.in.gov



CORRECTIVE ACTION PLAN

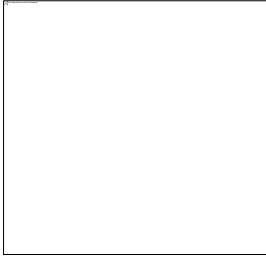
FINDING 2019-001 (Auditor Assigned Reference Number)
Contact Person Responsible for Corrective Action: Marcie Shepherd
Contact Phone Number: 260-563-0661 Ext 1222

Views of Responsible Official: We concur with the finding and have worked with the SBOA to correct the errors going forward.

Description of Corrective Action Plan:

1. A copy of any previous year corrections to any SEFA report will be put with the next year submission file for review.
2. SBOA has helped review names and Program Titles to insure correct information.
3. Concerning the wrong CFDA number we were told by SBOA that per INDOT, there was an error on some of the CY2019 contracts (funds identified in Exhibit B for this contract should have been identified as 5339 funds, and not 5311), which they have subsequently fixed for CY2020 grant awards.
4. Each Grant will be looked up on beta.SAM.gov for correct name and CFDA number, a copy of the print out will be put in the grant file.
5. All information is entered into a spreadsheet by the Grant Deputy and the Auditor will review with checkmarks, and sign off when completed.
6. Grant Deputy will enter the grant information in Gateway, Auditor will review and submit the SEFA.

Anticipated Completion Date: January 2021



Wabash County Sheriff's Department

===== Sheriff Ryan Baker =====

79 West Main St., Wabash, Indiana 46992
Phone: 260-563-8891 Fax: 260-569-9662

CORRECTIVE ACTION PLAN

FINDING 2019-002

Contact Person Responsible for Corrective Action: SHERIFF RYAN BAKER
Contact Phone Number: 260-563-8891

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Jail Officers have been told again to have a second person double check and sign off on all monetary transactions.

We have asked multiple times for the software company to resolve these balancing issues on how they are displayed. Due to these items still being unresolved in the software, we are looking at a different software company because inmate trust deposits cannot be verified and matched to a particular inmate via the kiosk.

Anticipated Completion Date: December 15, 2020

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/>.