

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

SCOTT COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
09/10/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tammy Stout Johnson	01-01-19 to 12-31-20
County Treasurer	Sheryl Jent	01-01-19 to 12-31-20
Clerk of the Circuit Court	Missy Applegate	01-01-19 to 12-31-20
County Sheriff	Jerry D. Goodin	01-01-19 to 12-31-20
County Recorder	Marilyn S. Kundysek	01-01-19 to 12-31-20
President of the Board of County Commissioners	Robert Tobias	01-01-19 to 12-31-20
President of the County Council	Mike Zollman	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 SCOTT 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 Scott 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 13, 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, 2019-002, 2019-003, and 2019-004, 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 items 2019-001 and 2019-003.

***Scott 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 13, 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 SCOTT COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited Scott 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.

***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.

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 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2019-005 and 2019-006, that we consider to be material weaknesses.

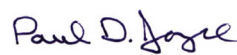
The County's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the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

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 13, 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 13, 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.

SCOTT 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
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii LifeSpring Medical Facility Grant CDBG-Health/U	Indiana Office of Community and Rural Affairs	14.228	A192-19-PF-18-105 A192-17-PS-12-500	\$ - -	\$ 500,000 33,574
Total - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				-	533,574
Total - Department of Housing and Urban Development				-	533,574
<u>Department of Justice</u>					
Edward Byrne Memorial Justice Assistance Grant Program Drug Interdiction Grant Drug Interdiction Grant	Indiana Criminal Justice Institute	16.738	D3-18-12352 JAG-2019-00040	- -	14,577 34,740
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	49,317
Violence Against Women Formula Grants STOP Grant 2015 STOP Grant 2017 STOP Grant 2018	Indiana Criminal Justice Institute	16.588	2015-WF-AX-0020 2017-WF-AX-0055 2018-WF-AX-0046	- - -	10,426 2,479 91,088
Total - Violence Against Women Formula Grants				-	103,993
Public Safety Partnership and Community Policing Grants COPS Grant	Direct Grant	16.710	2015UMWX0173	-	11,464
Total - Department of Justice				-	164,774
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction Sign Replacement Bridge Inventory	Indiana Department of Transportation	20.205	DES NO 1600805 DES NO 1500214	- -	31,221 24,655
Total - Highway Planning and Construction				-	55,876
Total - Highway Planning and Construction Cluster				-	55,876
Highway Safety Cluster State and Community Highway Safety School Bus Safety-Stop Arm	Indiana Criminal Justice Institute	20.600	SAVE-2019-00075	-	3,540
Total - Highway Safety Cluster				-	3,540
Total - Department of Transportation				-	59,416
<u>Election Assistance Commission</u>					
2018 HAVA Election Security Grants Voting Equipment	Indiana Secretary of State	90.404	04018INHVAELEC	-	3,117
Total - Election Assistance Commission				-	3,117
<u>Department of Health and Human Services</u>					
Immunization Cooperative Agreements Immunization 2018 Immunization 2017	Indiana State Department of Health	93.268	PPHF020 PNFLU18	- -	12,072 5,209
Total - Immunization Cooperative Agreements				-	17,281

SCOTT 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
Public Health Emergency Preparedness BP #1 Bio Preparedness	Indiana State Department of Health	93.069	NU90TP922052	-	37,500
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	Indiana State Department of Health	93.074			
Overdose Response 18/19			U90TP000521	-	19,275
Injury Prevention and Control Research and State and Community Based Programs Overdose Response	Indiana State Department of Health	93.136	PDSPX19	-	19,787
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds Immunization Grant 2019/20	Indiana State Department of Health	93.539	NU23IP000723	-	68,033
Child Support Enforcement	Indiana Department of Child Services	93.563			
Incentive-Court			1904INCSES	-	4,950
Incentive-Clerk			1904INCSES	-	6,000
FFP Reimbursement-Clerk			1904INCSES	-	9,082
Incentive-Prosecutor			1904INCSES	-	15,067
FFP Reimbursement-Court			1904INCSES	-	22,717
FFP Reimbursement-Prosecutor			1904INCSES	-	119,757
Indirect Costs			1904INCSES	-	87,463
Total - Child Support Enforcement				-	265,036
HIV Care Formula Grants	Indiana State Department of Health	93.917			
HIV Care Coordinators			X08HA31247	-	116,751
OSS/HTR			X08HA31247	-	44,161
Total - HIV Care Formula Grants				-	160,912
HIV Prevention Activities Health Department Based	Indiana State Department of Health	93.940			
SSP-Health Dept			NU62PS003682	-	9,059
SSP-Health Department			NU90TP921955	-	58,471
Total - HIV Prevention Activities Health Department Based				-	67,530
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response SSP Mobilization	Indiana State Department of Health	93.354	NU17CE002721	-	84,350
Total - Department of Health and Human Services				-	739,704
<u>Department of Homeland Security</u>					
Emergency Management Performance Grants EMPG Salary Reimbursement	Indiana Department of Homeland Security	97.042	EMC-2017-EP-00002	-	26,000
Total - Department of Homeland Security				-	26,000
Total federal awards expended				\$ -	\$ 1,526,585

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

SCOTT 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.

SCOTT 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?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

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
93.917	HIV Care Formula Grants	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.

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

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 Schedule of Expenditures of Federal Awards (SEFA). The Chief Deputy County Auditor completed and input the information for the federal awards into Gateway. The information was then reviewed by the County Auditor prior to submitting through Gateway; however, this control was not effective and missed material errors.

The SEFA contained the following errors:

1. The Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii program was overstated by \$22,500.
2. The Highway Planning and Construction Cluster was understated by \$55,876.
3. The 2018 HAVA Election Security Grants program was understated by \$3,117.
4. The Immunization Cooperative Agreements program was overstated \$55,961.
5. The Injury Prevention and Control Research and State and Community Based Programs grant was understated by \$19,787.
6. The PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds program was understated by \$46,901.
7. The Child Support Enforcement program was overstated by \$28,602.
8. Not all CFDA numbers, program names, and identifying numbers were correct or listed.

Audit adjustments were proposed, accepted by the County, and made to the SEFA presented in this report.

*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. . . .

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

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

Without a proper system of internal controls in place that operates 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 Auditor  
Audit Finding: Material Weakness

*Repeat Finding*

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

*Condition and Context*

There were several deficiencies in the internal control system of the County Auditor related to financial transactions and reporting.

*Cash Receipts*

The County Auditor's staff wrote receipts; however, there was no documented oversight or review of the receipts or whether they were posted to the correct fund.

*Payroll*

One employee in the County Auditor's office was responsible for almost all areas of payroll with no documented oversight or review, including:

- Not all timesheets were approved by the department head prior to submitting payroll.
- There was no documented oversight or review of the payroll system entries to the budgetary accounts. The Chief Deputy Auditor indicated that they reviewed this information; however, there was no documentation of that review.
- There was no documented review or approval process for payroll corrections, adjustments, employee withholdings, and employer benefit payments.
- There was no documented review or analysis of the payroll withholding funds to ensure that the payments were posted properly and that the balances, if any, were correct and owed for unpaid and/or outstanding obligations.

SCOTT 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:

"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 . . .

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

*Cause*

Management of the County had not established a proper system of internal controls over financial transactions and reporting.

*Effect*

The failure to establish a system of internal controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, misstatements in a timely manner.

*Views of Responsible Officials*

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

**FINDING 2019-003**

Subject: Financial Transactions and Reporting - County Treasurer  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-003.

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

There were several deficiencies in the internal control system of the County Treasurer related to financial transactions and reporting.

1. Lack of Segregation of Duties: The County Treasurer had not separated incompatible activities related to cash and investments and financial reporting. Control activities should be in place to reduce the risks of errors in financial reporting.
2. The County Treasurer's Daily Balance of Cash and Depositories, Form 47 (Cash Book), was not being posted and balanced daily. There were no controls in place to ensure that the posting and reconciling of the Cash Book was done daily as required by statute.
3. The Cash Book was not completely reconciled to the bank statements on a monthly basis. There were no controls established to ensure that the monthly bank reconciliements were completed and accurate.

As of December 31, 2019, the total cash and investments per the Cash Book indicated a cash necessary to balance of \$51,039.

*Criteria*

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

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

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

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

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

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

Indiana Code 5-13-5-1(a) states:

"Every public officer who receives or distributes public funds shall:

- (1) keep a cashbook into which the public officer shall enter daily, by item, all receipts of public funds; and

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(2) balance the cashbook daily to show funds on hand at the close of each day."

The Treasurer's Daily Balance of Cash and Depositories, Form 47, is the record prescribed to enable the treasurer to comply with IC 5-13-5-1. It reflects the daily receipts and disbursements, total amount of cash and investments on hand, and a proof of the financial condition of the office at the close of each day. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 3)

The record is designed to be posted "daily," with a separate page for each day. The left side of the page shows the total amount of money for which the treasurer is accountable (charges), and the right side of the page shows the money on deposit, invested or on hand (credits), as proof of the financial condition. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 3)

At all times, the manual and/or computerized records, subsidiary ledger, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

*Cause*

Management of the County had not established a proper system of internal controls over financial transactions and reporting.

*Effect*

The failure to establish a system of internal controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, misstatements in a timely manner.

*Views of Responsible Officials*

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

**FINDING 2019-004**

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-004.

*Condition and Context*

There were several deficiencies in the internal control system of the County Sheriff related to financial transactions and reporting.

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Lack of Segregation of Duties - Commissary*

The County Sheriff's department had not separated incompatible activities related to the financial transactions of the Commissary. One employee was responsible for reconciling daily cash collections, preparing and making the bank deposits, recording receipts and disbursements in the financial records, and performing the reconciliation of the depository account balance with the record balance. There were no controls in place, such as an oversight, review, or approval process, over the financial records or bank reconcilements.

*Lack of Segregation of Duties - Inmate Trust*

The County Sheriff's department had not separated incompatible activities related to financial transactions of the Inmate Trust accounts. One employee was responsible for reconciling daily cash collections, recording receipts and disbursements in the financial records, and performing the reconciliation of the depository account balance with the record balance. There were no controls in place, such as an oversight, review, or approval process, over the financial records or bank reconcilements.

*Criteria*

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

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

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

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

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

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

*Cause*

Management of the County had not established a proper system of internal controls over financial transactions and reporting.

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish a system of internal controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, misstatements in a timely manner.

*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**

**FINDING 2019-005**

Subject: HIV Care Formula Grants - Internal Controls  
Federal Agency: Department of Health and Human Services  
Federal Program: HIV Care Formula Grants  
CFDA Number: 93.917  
Federal Award Number and Year (or Other Identifying Numbers): X08HA31247  
Pass-Through Entity: Indiana State Department of Health  
Compliance Requirements: Activities Allowed or Unallowed; Allowable  
Costs/Cost Principles; Cash Management  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-006.

*Condition and Context*

An effective internal control system, which would include segregation of duties, was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; and Cash Management.

The County Health Department Administrator prepared and submitted all the reimbursement requests for the program without review or oversight. There was no evidence presented for audit that indicated there were internal controls over the compliance requirements of the program.

The lack of internal controls was a systemic issue, which occurred throughout the first half of the audit period.

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(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). . . ."

*Cause*

Management of the County had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirements listed above.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish a system of internal controls, including segregation of duties, 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 2019-006**

Subject: Community Development Block Grants/State's program  
and Non-Entitlement Grants in Hawaii - Reporting

Federal Agency: Department of Housing and Urban Development

Federal Program: Community Development Block Grants/State's  
Program and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Numbers): A192-17-PS-12-500,  
A192-19-PF-18-105

Pass-Through Entity: Indiana Office of Community and Rural Affairs

Compliance Requirement: Reporting

Audit Finding: Material Weakness

SCOTT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system, which would include segregation of duties, was not in place at the County in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The County is required to maintain and provide documentation to support and allow for verification that proper reports were filed. Semiannual reports were filed, but there was no indication of an internal control process to ensure the accuracy of the reports.

The lack of controls was a systemic issue, which occurred 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). . . ."

*Cause*

Management of the County had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish a system of internal controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

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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.



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*Auditor of Scott County*

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Email:

[tammy.johnson@scottcounty.in.gov](mailto:tammy.johnson@scottcounty.in.gov)

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-001***

Fiscal year in which the finding initially occurred: 2017

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

Contact Person Responsible for Corrective Action: Tammy Stout Johnson

Contact Phone Number: 812-752-5408

Status of Audit Finding: The portion of the Corrective Action Plan that addressed Grant Policy Revision was implemented by August 2019. Due to errors on the 2019 Schedule of Expenditures of Federal Awards, the Corrective Action Plan initiated in 2018 was only partially implemented over the Preparation of SEFA. The earliest anticipation date for correction is March 1, 2021



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-002***

Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: Tammy Stout Johnson

Contact Phone Number: 812-752-8408

Status of Audit Finding:

Regarding Cash Receipting: Currently used were initiated during the last audit (June 2019) and are as follows:

**Auditor's Office Receipts:** Employee #1-Fees and copy money Report of Collections will be balanced against receipt book records with total broken down by payment method: cash, check, or money order. Employee #2 will review the Report of Collections and verify the amounts collected by payment type. Both will initial Report of Collections.

**Quietus Process:** Department employee will take Report of Collections and monies directly to the Treasurer's Office for deposit. Treasurer's Office will verify the funds against the total on the Report of Collections; sign the original form; and make a copy for their records.

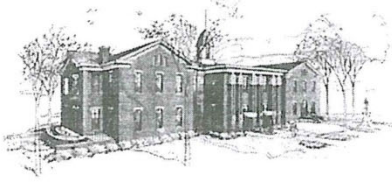
Department employee will take signed Report of Collections form to Auditor's Office for Quietus processing. Auditor employee will initial Quietus. A copy of the Quietus will be given to the Department employee. The Auditor's Office will provide the Treasurer's Office with a copy to be matched with the corresponding Report of Collections copy retained by their office. Auditor's Office will retain a copy with the original Report of Collections.

Regarding Payroll: The following procedure began for records starting October 2019, as follows:

Reviewer randomly pulls ten (10) payroll claims/time records to audit against employees pay disbursements. Reviewer initials and dates records. Once the review process is completed, reviewer enters pay date and signs control sheet.

Adjustments/corrections to payroll are reviewed and initialed by the Payroll Deputy and reviewing Deputy.

The Auditor began reviewing the Payroll Clearing accounts at the end of the 2019 Fourth Quarter. Reviews of the clearing accounts should be continued on at least a quarterly basis and initialed for documentation of review and any corrections.



*Sheryl Jent*  
SCOTT COUNTY TREASURER  
1 East McClain Avenue, Suite 140  
Scottsburg, Indiana 47170  
(812) 752-8414

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2018-003**

Fiscal year in which the finding initially occurred: 2017  
Contact Person Responsible for Corrective Action: Sheryl Jent  
Contact Phone Number: 812.752.8414

#### Status of Audit Finding:

1. Activities are separated and controlled to reduce risks of errors in financial reporting by Treasurer and Chief Deputy. Stamps, color coding and/or initialing documents to verify postings assist in doing so as well. Second Deputy controls and oversees the front counter and cash. Cash drawer is balanced and deposited daily. These tasks were implemented 10/24/19.
2. Part-time Cash Book employee is no longer employed with Scott Co. Government; therefore, this allows the Chief Deputy to post daily. Second Deputy controls front counter. She balances near the end of day and runs all necessary paperwork to pass along to myself to post to financial software then I pass to Chief Deputy to post to Cash Book. This was implemented 10/24/19.
3. With Gateway now in place insures treasurers to upload monthly bank reconcilements and cash book ledgers. Paperwork needed from Auditor's office has improved if the funds ledger is out of balance; however, Payroll is still adjusting. I make all postings in financial system then reconcile bank statements to it. Then Chief Deputy takes my reconciliation documentation and uses it to make sure she has the Cash Book posted in agreement with the financial system. We have signatures and dates to verify one another. All of this started taking place 10/24/19.

Sheryl Jent  
Scott Co. Treasurer  
6/23/2020

# Scott County Sheriff's Office

*Jerry Goodin*  
Sheriff

Office: 812-752-8400 • Fax: 812-752-5751

111 South 1st St.  
Scottsburg, IN 47170

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### FINDINGS 2018-004

Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: At the time of Audit: Lorrie Boswell

As of March 1, 2020: Amy Beverly

Contact Phone Number: 812-722-0865

### INMATE TRUST

Contact Person Responsible for Corrective Action: Patti Combs

Contact Phone Number: 812-752-8400

Changes implemented April 2019

Status of Audit findings:

1. Bonds are paid in the Machine in the Lobby or by the machine in the back and counted and totaled.
2. Patti pulls the monies and counts for a deposit which she makes out.
3. The money is taken to the bank by a Deputy and Deposited.
4. The receipt is signed by Jail Commander Doug Herald. Receipts are kept together per dates.
5. When the bank statement is reconciled it is also signed and verified by Doug Herald.
6. It will be saved to an existing file on the computer and the hard copies saved by month and year.

**\*\*If Doug Herald is not available it is signed by Amy Beverly or Kim Box\*\***

# Scott County Sheriff's Office

*Jerry Goodin*  
Sheriff

Office: 812-752-8400 • Fax: 812-752-5751

111 South 1st St.  
Scottsburg, IN 47170

August 20, 2019

## Commissary

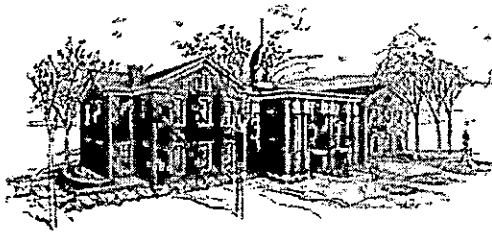
Contact Person Responsible for Corrective Action: Amy Beverly

Contact Phone Number: 812-722-0865

Changes Implemented April 2019

## Status of Audit Findings

1. Deposits: Monies for Tax Payments, Gun Permits etc are counted by Patti Combs.
2. A receipt is created by Patti and she then initial's the receipt and they are put together and in the locked box.
3. Amy gets them out of box, counts them and writes the deposit slip and keeps the receipt's and puts them back into the locked box for an officer to take to the bank. A copy of the deposit is made and attached to the paperwork.
4. The end of each month there is a reconciliation of the bank account and when finished taken to Patti for review and signature.
5. All paperwork supporting is then put together and scanned into a file to be kept for future use, the hard copies are put together and kept per month and per year.
6. Any invoices that are to be paid from the Commissary are to be turned into Amy for payment with a signature of the Sheriff Authorizing Payment.



*Missy Applegate*

SCOTT COUNTY CLERK OF COURTS

1 East McClain Avenue, Suite 120  
Scottsburg, Indiana 47170  
(812) 752-8420

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2018-005***

Fiscal year in which the finding initially occurred: 2018

Contact Person Responsible for Corrective Action: Missy Applegate

Contact Phone Number: 812-752-8420

Status of Audit Finding: As of August 6, 2019 all monies collected are being disbursed on a monthly basis. Since that date we have updated reports to Odyssey to allow all funds to pass to the county at the beginning of the subsequent month. We have put safeguards in place to review, sign cash book and check all balances in all accounts upon the completion of printing the check process each month.



## Scott County Health Department

1296 North Gardner Street  
Scottsburg, IN 47170  
812/752-8455  
812/752-6023 FAX

825 Highway 31 North  
Austin, IN 47102  
812/794-2730  
812/794-2744 FAX



**Public Health**  
Prevent. Promote. Protect.

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

#### ***FINDING 2018-006***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Scott County Health Department

Contact Person Responsible for Corrective Action: Michelle Matern- Administrator

Contact Phone Number: 812-752-8455

Status of Audit Finding:

A lack of internal controls was found for when SCHD submitted reimbursements. Starting in July 2019 the internal control was corrected. Invoices are prepared by the Administrator and submitted by email by support staff. These emails and documents are sent to the Auditor's office so they can be aware of the expected EFT.



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tammy.johnson@scottcounty.in.gov

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-001***

Contact Person Responsible for Corrective Action: Tammy Stout Johnson  
Contact Phone Number: 812-752-8408

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

Due to errors on the 2019 Schedule of Expenditures of Federal Awards, the Corrective Action Plan initiated in 2018 was only partially implemented over the Preparation of SEFA.

Communication to the Auditor will be emphasized from departmental grant clerks regarding all phases of the process including expenditures and requests for reimbursements to improve reporting accuracy. Again, measures will be taken in the Auditor's Office for the preparer of the SEFA and the reviewer to check the report for accuracy and both sign off on a paper duplicate.

Anticipated Completion Date: The earliest anticipation date for correction is March 1, 2021.



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*Auditor of Scott County*

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July 28, 2020

CORRECTIVE ACTION PLAN

**FINDING 2019-002**

Contact Person Responsible for Corrective Action: Tammy Stout Johnson

Contact Phone Number: 812-752-8408

Views of Responsible Official: We concur with most items noted in the finding with the exception of the Auditor's Office Cash Receipting. Reports of Collections are initiated by the Departments for the deposit summary into their respective funds. The monies (cash, checks, etc.) are taken by the department clerk/official directly to the Treasurer which collects, verifies, date stamps, and initials the ROC. The Treasurer retains a copy of the ROC. The original ROC is then delivered to the Auditor which prepares the quietus for deposit into the funds as listed on the ROC. A quietus receipt is provided to the Treasurer to match their copy of the ROC, a copy of the quietus is provided to the department for review by the Department clerk/official for accuracy in fund and amount allocations, and the original ROC is retained by the Auditor with a third copy of the quietus. Regular reviews of the receipts and expenditures of each department's funds should be conducted by the designated clerk/official for accuracy with any correction being brought to the immediate attention of the Auditor.

Description of Corrective Action Plan: To put proper controls in place, Internal Control/Oversight procedures will be performed regarding cash receipts and payroll functions.

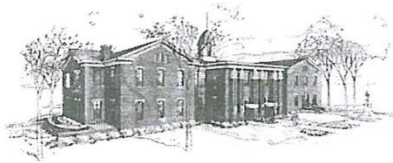
Regarding Payroll, the following controls have been in place for records since October 2019: Samples of payroll time sheets/claims are pulled for each payroll and reviewed for proper approvals and then compared to paychecks for accuracy in processing. The payroll clerk's time records and disbursements will be reviewed at least twice yearly.

Additional oversight and internal control for payroll reports, withholdings, payroll funds, and payments will be implemented for records beginning January 2020. Reconciliation of payroll transactions will be conducted along with reports generated of budgetary postings for payroll on a monthly basis. The Auditor will review and sign off on the reconciliations, then initial any corrections or adjustments to the withholding/clearing records. The budgetary postings will be reviewed and signed by the Chief Deputy Auditor with any adjustments being initialed by the Payroll Clerk and Chief Deputy.

Regarding some timesheets not being signed by Department Heads, we have a few departments that do not have on site supervisors or work alone and fall under the Commissioners jurisdiction. In an effort to correct this, I will request time cards to be signed for those employees when payroll disbursement is ratified in the open meeting setting. The Payroll Clerk will remain diligent in securing Department Head signatures on all time cards.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)



*Sheryl Jent*  
SCOTT COUNTY TREASURER  
1 East McClain Avenue, Suite 140  
Scottsburg, Indiana 47170  
(812) 752-8414

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CORRECTIVE ACTION PLAN

**FINDING 2019-003**

Contact Person Responsible for Corrective Action: **Sheryl Jent**  
Contact Phone Number: **812.752.8414**

Views of responsible Official: **We concur with the finding.**

Description of Corrective Action Plan:

1. To reduce risks of error in financial reporting an excel spreadsheet was created last year to enter figures from Cash Book vs. Financial reports to keep in balance with the Auditor. Internal control of handling cash and deposits is done by our Second Deputy, Cristy Burns. She prepares daily tax reports and initials to confirm reports matches tax collection bank deposits. I review following morning and initial as well. All daily paperwork is passed to me then I enter into financial system. It's then passed to Chief Deputy, Krissi Johnson, to enter to Cash Book.
2. I, Sheryl Jent, balance with the Auditor on a daily basis. Krissi prepares Quietus' and prints daily reports to ensure we stay on track with balancing. I again review the following day to double check the numbers remain the same. The daily paperwork is entered to the Cash Book. Financial reports are created daily to insure funds balance and monthly comparison report verifies Auditor and Treasurer balance at zero.
3. I, Sheryl Jent, reconcile the banks while Krissi Johnson reconciles Cash Book on a monthly basis. Internal controls with the excel spreadsheet assists us on balancing. I balance funds daily with the Auditor. If the Cash book is off then we conclude there is missing paperwork or something was back dated. The Auditor's office now brings paperwork immediately following being created which helps our balancing as well.

Anticipated Completion Date: **The correction action plan has been taken immediately.**

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**Scott County Treasurer**

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**7/31/2020**

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# Scott County Sheriff's Office

Jerry Goodin  
Sheriff

Office: 812-752-8400 Fax: 812-752-5851

111 South 1<sup>st</sup> St.  
Scottsburg, IN 47170

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-004***

Contact Person Responsible for Corrective Action: Amy Beverly (Commissary) and Patti Combs (Inmate Trust)

Contact Phone Number: Amy (812-722-0865), Patti (812-752-8400)

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

#### Inmate Trust:

1. Bonds are paid in the machine in the lobby or by the machine in the back and counted and totaled.
  2. Patti pulls the monies, counts it, and creates the deposit.
  3. The money is taken to the bank by a Deputy and deposited.
  4. A receipt is issued and signed by the Jail Commander, Doug Herald. Receipts are kept together by dates.
  5. When the bank statement is reconciled, it is also signed and verified by Doug Herald.
  6. It will be saved to an existing file on the computer and the hard copies saved by month and year.
- Note: If Doug Herald is not available, it is signed by Amy Beverly or Kim Box.

#### Commissary:

1. Deposits: Monies for tax payments, gun permits, etc. are counted by Patti Combs.
2. A receipt is created and initialed by Patti. The monies and receipts are placed in a locked box.
3. Amy gets them out of the locked box, counts the monies, and creates a deposit slip. Amy retains the receipts but places the deposit slip and monies back in the locked box for an officer to take to the bank. A copy of the deposit is made and attached to the paperwork.
4. The end of each month there is a reconciliation of the bank account and when finished taken to Patti for review and signature.
5. All supporting paperwork is put together and scanned into a file to be kept for future use. The hard copies are put together and kept per month and per year.
6. Any invoices that are to be paid from the Commissary are to be turned into Amy for payment with a signature of the Sheriff authorizing the payment.

Anticipated Completion Date: These procedures will be implemented in August 2020.



## Scott County Health Department

1296 North Gardner Street  
Scottsburg, IN 47170  
812/752-8455  
812/752-6023 FAX

825 Highway 31 North  
Austin, IN 47102  
812/794-2730  
812/794-2744 FAX



**Public Health**  
Prevent. Promote. Protect.

### CORRECTIVE ACTION PLAN

#### ***FINDING 2019-005***

Contact Person Responsible for Corrective Action: **Michelle Matern, Health Department Administrator**  
Contact Phone Number: **812-752-8455 ext 6**

Views of Responsible Official: **The Scott County Health Department agrees with the repeat finding and will implement adequate checks and balances to improve internal controls.**

Description of Corrective Action Plan:

**Scott County Health Department will continue to implement new internal controls for grant reimbursements with these actions: 1) Invoice reimbursements will be “prepared by” an administrative staff member and the reimbursements will be “submitted by” the Department Administrator or a separate administrative staff. 2) A copy of the email invoice reimbursement will be sent to the Deputy Auditor to show that an invoice has been submitted timely and the amount of the invoice.**

Anticipated Completion Date:

**The corrective active plan has been in effect for all monthly invoice submissions after July 2019.**

\_\_\_\_\_  
July 22, 2020  
(Date)



*Tammy Stout Johnson*

*Auditor of Scott County*

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1 East McClain Avenue, Suite 130  
Scottsburg, IN 47170

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Email:

tammy.johnson@scottcounty.in.gov

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-006***

Contact Person Responsible for Corrective Action: Tammy Stout Johnson  
Contact Phone Number: 812-752-8408

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

The County did not have documentation that semi-annual reports were filed for grants passed through the Indiana Office of Community and Rural Affairs.

The corrective action began July 15, 2020 when semi-annual reports for the Infectious Disease grant and LifeSpring Facility CDBG were presented at a public Scott County Board of Commissioners meeting and notation of that will be a part of the official minutes of the Board.

Anticipated Completion Date: July 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/>.