

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

ALLEN COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
09/29/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Nicholas D. Jordan	01-19-17 to 12-31-22
County Treasurer	William F. Royce	01-01-17 to 12-31-20
Clerk of the Circuit Court	Lisbeth A. Borgmann Christopher M. Nancarrow	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Sheriff	David J. Gladieux	01-01-15 to 12-31-22
County Recorder	Anita A. Mather	01-01-15 to 12-31-22
Circuit Court Judge	Honorable Thomas J. Felts	01-01-15 to 12-31-20
Superior Court Judge	Honorable Daniel G. Heath	01-01-15 to 12-31-20
President of the Board of County Commissioners	Therese M. Brown F. Nelson Peters	01-01-17 to 12-31-18 01-01-19 to 12-31-19
President of the County Council	Therese M. Brown Joel M. Benz Thomas A. Harris	01-01-20 to 12-31-20 01-01-18 to 12-31-20 01-01-19 to 12-31-19



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

TO: THE OFFICIALS OF ALLEN 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 statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allen County (County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 27, 2020. The opinion on the aggregate discretely presented component units was qualified because two discretely presented component units were not properly included in the County's financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, 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 statements, 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 statements 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 item 2019-001, 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
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statements are 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.

Allen 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 statements 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 27, 2020, except for the Schedule of Expenditures of
Federal Awards, for which the date is September 16, 2020



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

TO: THE OFFICIALS OF ALLEN COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited Allen County's (County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2019. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

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

Report on Internal Control over Compliance

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

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

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

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

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

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

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 27, 2020, which contained unmodified opinions on those financial statements except for the aggregate discretely presented component units, for which the opinion was qualified. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 basic financial statements as a whole.

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

September 16, 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 prepared by management of the County. The schedule and notes are presented as intended by the County.

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ALLEN 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	Pass-Through To Subrecipient	Total Federal Awards Expended
Department of Agriculture					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2019	\$ -	\$ 38,199
National School Lunch Program	Indiana Department of Education	10.555	FY 2019	-	69,129
School Lunch			FY 2019	-	10,949
Commodities				-	-
Total - National School Lunch Program				-	80,078
Total - Child Nutrition Cluster				-	118,277
Total - Department of Agriculture				-	118,277
Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program	City of Fort Wayne	16.738			
City of Fort Wayne and Allen County FY 2017 JAG Project			2017-DJ-BX-0436	-	11,554
FY 18 JAG Project Fort Wayne-Allen County			2018-DJ-BX-0648	-	12,207
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	23,761
Juvenile Justice and Delinquency Prevention	Indiana Criminal Justice Institute	16.540			
Check and Connect			Contract #33749	-	117,378
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
Domestic Violence			VOCA-2018-00052	-	46,066
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588			
Domestic Violence			D3-18-12241	-	41,290
State Criminal Alien Assistance Program	Direct Grant	16.606			
State Criminal Alien Assistance Program			2018-H0684-IN-AP	-	9,949
Equitable Sharing Program	Direct Grant	16.922			
Asset Seizure - Sheriff			FY 2019	-	630,536
Total - Department of Justice				-	868,980
Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Right of Way			Des. 1382492	-	1,865
Right of Way			Des. 1401273	-	16
Construction Engineering			Des. 1297238	-	6,374
Construction Engineering			Des. 1382493	-	78,179

ALLEN 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	Pass-Through To Subrecipient	Total Federal Awards Expended
Construction Engineering			Des. 1382497	-	79,959
Construction Engineering			Des. 1382818	-	21,604
Right of Way			Des. 1401272	-	421,408
Preliminary Engineering			Des. 1592872	-	56,548
NIRCC			Des. 1600541	-	23,960
Construction Engineering			Des. 1600575	-	42,503
Preliminary Engineering			Des. 1702810	-	29,341
NIRCC			Des. 1801295	-	813,357
Preliminary Engineering			Des. 400582	-	125,683
Construction Engineering			Des. 902238	-	59,979
Total - Highway Planning and Construction				-	1,760,776
Total - Highway Planning and Construction Cluster				-	1,760,776
Highway Safety Cluster					
State and Community Highway Safety	City of Fort Wayne	20.600			
Traffic Enforcement			OPO 2019-00117	-	24,578
Traffic Enforcement			SAVE-2019-00074	-	11,426
Total - State and Community Highway Safety				-	36,004
National Priority Safety Programs					
Traffic Enforcement	City of Fort Wayne	20.616			
			DUI 2019-00041	-	1,100
Total - Highway Safety Cluster				-	37,104
Minimum Penalties for Repeat Offenders for Driving					
While Intoxicated	City of Fort Wayne	20.608			
Traffic Enforcement			CHIRP-2020-00107	-	884
Total - Department of Transportation				-	1,798,764
Environmental Protection Agency					
State Indoor Radon Grants	Indiana Department of Health	66.032			
State Indoor Radon Grants			PO 20000927	-	3,000
Great Lakes Program					
Maumee River Basin: Urban Pollution Management and Education Program	Direct Grant	66.469			
			00E02233	-	117,781
Total - Environmental Protection Agency				-	120,781
Election Assistance Commission					
2018 HAVA Election Security Grants	Indiana Secretary of State	90.404			
Election Security Grant			2018 HAVA	-	9,652
Total - Election Assistance Commission				-	9,652

ALLEN 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	Pass-Through To Subrecipient	Total Federal Awards Expended
Department of Health and Human Services					
Immunization Cooperative Agreements Immunization	Indiana State Department of Health	93.268	PO 20002710	-	38,275
Block Grants for Prevention and Treatment of Substance Abuse Syringe Service Grant HIV/AIDS Program	Indiana State Department of Health	93.959	18537516 PO 18537516 FY 2019	- -	185,759 27,979
Total - Block Grants for Prevention and Treatment of Substance Abuse				-	213,738
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds Immunization	Indiana State Department of Health	93.539	PO 18560766	-	31,438
Child Support Enforcement Child Support Enforcement	Indiana Department of Child Services	93.563	FY 2019	-	2,875,532
Refugee and Entrant Assistance State/Replacement Designee Administered Programs Refugee Health screens Refugee Health Screens	Indiana State Department of Health	93.566	PO 20001471 PO 20003604	- -	10,517 1,252
Total - Refugee and Entrant Assistance State/Replacement Administered Programs				-	11,769
State Court Improvement Program Superior Court-Family Relations Superior Court-Family Relations	Indiana Supreme Court	93.586	Allen-CIP-2018BDT Allen-CIP-2019BDT	- -	18,933 5,946
Total - State Court Improvement Program				-	24,879
HIV Prevention Activities Health Department Based HIV/AIDS Program HIV/Substance Abuse HIV/Substance Abuse	Indiana State Department of Health	93.940	PO 18537516 FY2018 PO 20000165 PO 20002966	- - -	2,970 28,323 27,111
Total - HIV Prevention Activities Health Department Based				-	58,404
Total - Department of Health and Human Services				-	3,254,035
Department of Homeland Security					
Emergency Management Performance Grants Homeland Security	Indiana Department of Homeland Security	97.042	20000793	-	98,570
Total - Department of Homeland Security				-	98,570
Total federal awards expended				\$ -	\$ 6,269,059

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

ALLEN 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 accrual 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 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.

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:

Name of Opinion Unit	Opinion Issued
Governmental activities	Unmodified
Business-type activities	Unmodified
Aggregate discretely presented component units	Qualified
Each major fund	Unmodified
Aggregate remaining fund information	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	yes

Federal Awards:

Internal control over major program:	
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 Program and type of auditor's report issued on compliance for it:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
93.563	Child Support Enforcement	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

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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).

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 internal controls, the SEFA presented for audit contained the following errors:

1. The National School Lunch Program snack expenditures were understated by \$9,967 and were incorrectly reported as Special Supplemental Nutrition Program for Women Infants and Children.
2. The National School Lunch Program commodities were understated by \$10,949.
3. The Juvenile Justice and Delinquency Prevention grant expenditures were understated by \$117,378.
4. The Highway Planning and Construction grant expenditures were overstated by \$1,509,740.

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. . . .

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. . . ."

ALLEN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

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.

ALLEN 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.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the County. The document is presented as intended by the County.



CORRECTIVE ACTION PLAN

FINDING 2019-001

Contact Person Responsible for Corrective Action: Nick Jordan, Auditor
Contact Phone Number: 260-449-7241

Views of Responsible Official:

During 2019 there were a few oversights on the Schedule of Expenditures of Federal Awards. We inadvertently included the Community Crossing grants thinking they were Federal dollars as are most of the road funding grants. The Juvenile Justice grant was overlooked. The misclassification in the Child Nutrition Cluster was an error based on inconsistency in the past, but nevertheless still on the SEFA. The National School Lunch commodities are something that we will work with the departments on as that information has not historically been reported to us nor have we gone out to retrieve it.

Description of Corrective Action Plan:

Going forward we will be sure to inform the appropriate departments they need to report the commodities received for the National School lunch program and make sure that the reimbursements received are classified as National School lunch instead of WIC.

The Juvenile Justice grant is added to the list of items we need to track and report for SEFA purposes.

Overall, we will continue to be diligent in making sure we accurately capture and account for all expenditures necessary for the SEFA.

Anticipated Completion Date: Ongoing and already completed for 2020 with exception of talking to departments about the commodities.

Nick Jordan
Allen County Auditor
8/12/2020

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/>.