

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

ELKHART COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
12/17/2020



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
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 <i>Government Auditing Standards</i> .....	3-4
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 .....	5-7
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-21
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	24-28
Corrective Action Plan .....	29-35
Other Reports.....	36

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Patricia A. Pickens	01-01-19 to 12-31-20
County Treasurer	Tina M. Bontrager	01-01-19 to 12-31-20
Clerk of the Courts	Christopher J. Anderson	01-01-19 to 12-31-20
County Sheriff	Jeffrey A. Siegel	01-01-19 to 12-31-20
County Recorder	Jennifer L. Doriot	01-01-19 to 12-31-20
President of the Board of County Commissioners	Mike L. Yoder	01-01-19 to 12-31-20
President of the County Council	John K. Letherman	01-01-19 to 12-31-20
Director of the Solid Waste District	John E. Bowers	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  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF ELKHART 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Elkhart 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 November 19, 2020.

***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 items 2019-001 and 2019-002, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
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 items 2019-001 and 2019-002.

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

November 19, 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 ELKHART COUNTY, INDIANA

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

We have audited Elkhart 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.

***Basis for Qualified Opinion on Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)***

As described in item 2019-004 in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding Cash Management that are applicable to its Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED). Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

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)

***Qualified Opinion on Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)* paragraph, 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 the program for the year ended December 31, 2019.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2019.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2019-003. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance 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.

**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.

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)


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 2019-003 and 2019-004, 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.

**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 discretely presented component unit, 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 November 19, 2020, which contained unmodified opinions on those financial statements. 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, CPA  
State Examiner

November 19, 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.

ELKHART 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
<b>Department of Agriculture</b>					
Child Nutrition Cluster					
School Breakfast Program School Breakfast Program 4925	Indiana Department of Education	10.553	FY 2019	\$ -	\$ 10,878
National School Lunch Program School Lunch Program 4925	Indiana Department of Education	10.555	FY 2019	-	16,634
Total - Child Nutrition Cluster				-	27,512
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Indiana State Department of Health				
W.I.C. 8101-812		10.557	400100557WICAD19	-	1,022,347
W.I.C. 8102-980		10.557	400100557WPCG018	-	3,978
W.I.C. 8102-981		10.557	400100557WPCG019	-	109,106
W.I.C. 8101-312		10.557	400100557WICAD18	-	36,193
Total - WIC Special Supplemental Nutrition Program for Women, Infants, and Children				-	1,171,624
Total - Department of Agriculture				-	1,199,136
<b>Department of Justice</b>					
Crime Victim Assistance V.O.C.A Grant 1000-159	Indiana Criminal Justice Institute	16.575	5484	-	127,264
Violence Against Women Formula Grants S.T.O.P 8108-980	Indiana Criminal Justice Institute	16.588	6265	-	29,011
Edward Byrne Memorial Justice Assistance Grant Program Ed Byrne Justice Assistance 8112 Edward Byrne JAG 8149	Direct Grant Indiana Criminal Justice Institute	16.738	2015-DJ-BX-0957 2016-DJ-BX-040203	-	104,323 28,965
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	133,288
Equitable Sharing Program County Seizure of Assets 4912	Direct Grant	16.922	5043	-	159,283
Total - Department of Justice				-	448,846
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation				
Cumulative Bridge 1135		20.205	DES 1700309	-	35,552
Cumulative Bridge 1135		20.205	DES 1592887	-	115,091
Cumulative Bridge 1135		20.205	DES 1400841	-	240
LIT - Economic Development - 1112		20.205	DES 1401749	-	140,177
LIT - Economic Development		20.205	DES 1700310	-	25,282
LIT-Economic Development - 1112		20.205	DES 1702848	-	68,962
Total - Highway Planning and Construction				-	385,304
Recreational Trails Program	Indiana Department of Natural Resources	20.219	RT-15-006	-	107,978
Total - Highway Planning and Construction Cluster				-	493,282
Highway Safety Cluster					
State and Community Highway Safety Highway Safety Program - Operation Pull Over 8113	Indiana Criminal Justice Institute	20.600	D3-15-8998	25,547	41,537
Total - Highway Safety Cluster				25,547	41,537
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Highway Safety Program - DUI Taskforce 8141	Indiana Criminal Justice Institute	20.608	5843	6,815	14,290
Interagency Hazardous Materials Public Sector Training and Planning Grants Emergency Planning Right to Know 1152	Indiana Department of Homeland Security	20.703	38519HMEPPPLAN00	-	10,000
Total - Department of Transportation				32,362	559,109
<b>Environmental Protection Agency</b>					
State Indoor Radon Grants State Indoor Radon Gas 8116	Indiana State Department of Health	66.032	40066032SIRG017	-	607
Total - Environmental Protection Agency				-	607

ELKHART 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>Election Assistance Commission</u>					
2018 HAVA Election Security Grants Cumulative Voting System 1143	Indiana Secretary of State	90.404	4018INHAVAEELEC	-	10,332
Total - Election Assistance Commission				-	10,332
<u>Department of Health and Human Services</u>					
Public Health Emergency Preparedness Public Health Preparedness Grant 8119-980	Indiana State Department of Health	93.069	40093069PHEPA20	-	3,659
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Preparedness Grant 8119-981	Indiana State Department of Health	93.074	40093074PHEPA19	-	23,551
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) SAMSHA System of Care SAMSHA System of Care	Direct Grant	93.104 93.104	5H79SM063404-03 5H79SM063404-04	969,709 114,695	969,709 114,695
Total - Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)				1,084,404	1,084,404
Child Support Enforcement	Indiana Dept of Child Services				
Indirect Costs General 1000		93.563	FY 2019	-	299,013
Prosecutor IV-D Incentive 8897		93.563	1704INCSES	-	187,732
Title IV-D Reimbursements Prosecuting Attorney 1000-158		93.563	1704INCSES	-	1,222,818
Title IV-D Reimbursements County General (courts) 1000-171		93.563	1704INCSES	-	227,608
Clerk IV-D Incentive 8899		93.563	1704INCSES	-	53,492
Title IV-D Reimbursements Clerk 1000-101		93.563	1704INCSES	-	73,526
County IV-D Incentive 8895		93.563	1704INCSES	-	143,025
Total - Child Support Enforcement				-	2,207,214
State Court Improvement Program Court Improvement Grant 8122	Supreme Court of Indiana	93.586	CIP-Elkhart-206B	-	12,448
National Bioterrorism Hospital Preparedness Program Medical Reserve Corp 8123	Indiana State Department of Health	93.889	MRC 15-0006	-	37
Preventive Health and Health Services Block Grant PHB Block Grant 8159	Indiana State Department of Health	93.991	40093991PHSBG19	-	550
Maternal and Child Health Services Block Grant to the States Maternal & Child Health Grant 8127-615	Indiana State Department of Health	93.994	40093994TITLV19	-	41,111
Total - Department of Health and Human Services				1,084,404	3,372,974
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Public Assistance Disaster Grant	Indiana Department of Homeland Security	97.036	385PA4363000000	-	58,892
Emergency Management Performance Grants Emergency Management Salary Reimbursement 1000-137	Indiana Department of Homeland Security	97.042	38518EMPG000000	-	70,564
Homeland Security Grant Program Homeland Security Grant 8129	Indiana Department of Homeland Security	97.067	38518SHSP000000	-	50,000
Total - Department of Homeland Security				-	179,456
Total federal awards expended				\$ 1,116,766	\$ 5,770,460

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

ELKHART 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 the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (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.

ELKHART 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
Discretely presented component unit	Unmodified
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 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
10.557	Highway Planning and Construction Cluster	Unmodified
93.104	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Unmodified
	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	Qualified

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

Auditee qualified as low-risk auditee?      no

ELKHART COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**Section II - Financial Statement Findings**

**FINDING 2019-001**

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

*Condition and Context*

There were several deficiencies in the internal control system of the County related to financial transactions and reporting. The County had not separated incompatible activities related to assets, liabilities, and financial reporting.

*Assets*

There was no evidence of an internal control to ensure that balances of loan receivables and interfund loan receivables (advances to other funds) were accurately reported in the financial statements. Loan receivables were overstated \$2,575,043, and advances to other funds were understated \$12,959,178.

There was no evidence of a control to ensure that balances of taxes receivable were accurately reported in the financial statements. In total, taxes receivable across all funds was understated \$6,646,187.

*Liabilities*

There was no evidence of an internal control to ensure that liabilities, such as the accounts payable, accrued payroll and withholdings payable, and contracts payable were accurately reported in the financial statements. In total, accounts payable was misstated in 99 percent of governmental activities and 100 percent of business-type activities; contracts payable was misstated 100 percent.

There was no evidence of an internal control to ensure that balances of loan payables and interfund loan payables (advances from other funds) were accurately reported in the financial statements. Loan payables were overstated \$10,400,000, and advances from other funds were understated \$12,959,178.

There was no evidence of an internal control to ensure that data used to calculate total OPEB liability was properly approved prior to submission to the actuary firm.

*Financial Reporting*

There were no effective internal controls to ensure timely, complete, and accurate financial reports. The financial statements and notes to financial statements contained multiple material misstatements: four funds were omitted from the financial statement, one major governmental fund was misclassified as a nonmajor governmental fund, landfill transfers in and transfers out were overstated \$7,783,634, and notes on assets and liabilities detailed above were inaccurate.

ELKHART COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Adjustments were proposed, approved by management, and made to the financial statements presented in the audit report.

There also was no evidence that the County had an internal control in place to ensure the balances of its discretely presented component unit, Elkhart County Solid Waste Management District, were accurately reported in the financial statements.

*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. . . ."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

*Cause*

Management of the County had not established a proper system of internal controls.

*Effect*

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

*Views of Responsible Officials*

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

ELKHART COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2019-002**

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

*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 (Gateway) financial reporting system, which was the source of the SEFA. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

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

1. The Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) expenditures were understated by \$2,000, as well as there were no amounts shown as passed through to subrecipients resulting in an understatement of \$1,084,404.
2. The Child Support Enforcement expenditures were overstated by \$229,390.
3. Several additional grants were either omitted or had individually immaterial errors that resulted in a net understatement of expenditures of \$246,561, and additional amounts passed through to subrecipients were understated by \$32,362 in total.
4. The Notes to the Schedule of Expenditures of Federal Awards (Notes) did not properly reflect whether or not the County used the 10 percent de minimis indirect cost rate.

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

ELKHART COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within 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."

ELKHART COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

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

*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**

**FINDING 2019-003**

Subject: WIC Special Supplemental Nutrition Program for Women, Infants, and Children;  
Highway Planning and Construction Cluster - Suspension and Debarment

Federal Agencies: Department of Agriculture, Department of Transportation

Federal Programs: WIC Special Supplemental Nutrition Program for Women,  
Infants, and Children; Recreational Trails Program

CFDA Numbers: 10.557, 20.219

Federal Award Numbers and Years (or Other Identifying Numbers): 400100557WPCG018,  
40010557WICAD18,  
400100557WPCG019,  
400100557WICAD19,  
RT-15-006 - 2019

Pass-Through Entities: Indiana State Department of Health, Indiana Department of Transportation

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*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 the requirements related to the grant agreement and the suspension and debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

The County did not follow procedures established by the grant agreement to ensure that applicable vendors who received federal funds were not suspended or debarred from participation in federal awards programs. The WIC Department and the Parks and Recreation Department each entered into contracts that exceeded \$25,000. The County did not perform procedures to ensure compliance with the requirements regarding verification that these vendors were not suspended or debarred from participation in federal programs before entering into the contracts.

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

ELKHART 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). . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management had not developed or implemented a system of internal controls that would have ensured compliance with the grant agreements and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to remain undetected. Noncompliance with the grant agreements and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of federal funds to the County.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the County's management establish a system of internal controls to ensure compliance and comply with the grant agreements and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

ELKHART COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2019-004***

Subject: Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED) - Cash Management  
Federal Agency: Department of Health and Human Services  
Federal Program: Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)  
CFDA Number: 93.104  
Federal Award Numbers and Years (or Other Identifying Numbers): 5H79SM063404-03,  
5H79SM063404-04  
Compliance Requirement: Cash Management  
Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

An effective internal control system was not in place at the County to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement. There were no internal controls to ensure that the County minimized the time between receipt of federal grant funds and their subsequent disbursement.

The County received advance payments to reimburse their subrecipient for expenses related to the grant. The County was to disburse the advanced funds to the subrecipient within 72 hours. During the audit period, all advanced payments were held from 4 to 18 days before disbursement to the subrecipient.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

45 CFR 75.305(b) states in part:

"For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. . . ."

*Cause*

Management of the County had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Cash Management compliance requirement.

ELKHART COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to remain undetected. Noncompliance with the grant agreement and the Cash Management compliance requirement could have resulted in the loss of federal funds to the County.

*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, to ensure compliance and comply with the grant agreement and the Cash Management 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.

# *Elkhart County Auditor's Office*

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2018-001** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2016

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

Contact Person Responsible for Corrective Action: Patricia A. Pickens & Christopher Anderson

Contact Phone Number: (574) 535-6719 & (574) 535-6692

Status of Audit Finding:

As of our most recent audit, this finding has been corrected.

Disbursement – Fringe Benefits:

We now provide a report to the Commissioners' for approval of fringe benefits along with payroll.

Receipts – Receipts are done by one individual and a second person reviews, stamps and initials after verification.

Cash and Investments:

Clerks' office bookkeeper performs the bank reconciliation for the ISETS and Odyssey systems and the Clerk reviews for accuracy and completeness.



Elkhart County Health Department

## Administration

608 Oakland Ave. | Elkhart, IN 46516  
574-523-2283 main line | 574-295-6186 fax

[elkhartcountyhealth.org](http://elkhartcountyhealth.org)

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Internal Control over Financial Transactions and Reporting - Elkhart County Health Department

Fiscal year in which the finding initially occurred: 2016

Contact Person Responsible for Corrective Action: Concetta Sanfilippo

Contact Phone Number: 574-523-2101

Status of Audit Finding:

May 11, 2020

In January of 2019 the Elkhart County Health Department implemented a new step to insure review of the invoice submitted to WIC. A copy of the signed original invoice submitted to WIC will be returned to Health Administration, (by the WIC Manager), stating that the invoice was reviewed and the date submitted. Supporting documentation along with a copy of the invoice are sent by courier to the WIC Manager and the Auditors office. The original invoice is sent by email for signature and review.

Adjustments and employer benefits were addressed at the County level by being approved by the Commissioners. Payments are reviewed on a monthly bases by the Health Department during the monthly preparation of the reimbursement request.

Adjustments were addressed at the County level and they are reviewed by the Health Department on a weekly and monthly bases, before and during monthly reimbursement request preparation.

*Striving to improve the lives and health of our community*



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# ELKHART COUNTY AUDITORS OFFICE

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Patricia A. Pickens Auditor

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-003***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Health and Human Services

Contact Person Responsible for Corrective Action: Fred Avery

Contact Phone Number: 574-535-6719

Status of Audit Finding:

As of our most recent audit, this finding is corrected. Annually the First Deputy Auditor will run a search in the System of Award Management database to ensure Oaklawn Psychiatric Center has not been disbarred or suspended

# ELKHART COUNTY AUDITORS OFFICE

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Patricia A. Pickens Auditor

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-004***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Health and Human Services

Contact Person Responsible for Corrective Action: Fred Avery

Contact Phone Number: 574-535-6719

Status of Audit Finding:

As of our most recent audit, this finding is corrected. Auditor reviews claim submitted by Subrecipient to ensure it is in compliance with grant agreement. After Auditor's review, the First Deputy Auditor reviews and verifies compliance.

# ELKHART COUNTY AUDITORS OFFICE

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Patricia A. Pickens Auditor

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-005***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Health and Human Services

Contact Person Responsible for Corrective Action: Fred Avery

Contact Phone Number: 574-535-6719

#### Status of Audit Finding:

As of our most recent audit, this finding is corrected. The First Deputy Auditor contacts the Subrecipient annually to request a copy of the most recent audit.

# ELKHART COUNTY AUDITORS OFFICE

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Patricia A. Pickens Auditor

## CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Ms. Patricia Pickens, County Auditor  
Contact Phone Number: 574.535.6719

#### Views of Responsible Official:

Management concurs with this finding, condition, and context. 2019 is the first year that the County issued financial statements in accordance with Generally Accepted Accounting Principles (GAAP). While great care was taken to minimize findings, adjustments were required to clarify reporting or correct data. We appreciate the feedback from the Indiana State Board of Accounts. We note that the findings did not affect the overall opinion of the financial statements.

#### Description of Corrective Action Plan:

##### **Assets**

The County will evidence control over the reporting of loans receivable, interfund loans and advances to other funds. During the course of the Audit, the County recognized the need to correct the labeling of these activities and subsequently the County updated the accounting and reporting processes for these items. The County has created workpapers to substantiate each of these reporting items and have included the results in the final report. Future reports will carry forward this information adjusted for any transactions to increase or decrease the reported totals.

During the course of the audit, it was determined that the processes used to account for taxes receivable needed correction before the issuance of the financial statements. The feedback from the Indiana State Board of Accounts and information brought forward by the County was evaluated to confirm the need for the correction. Future reports will carry forward the corrected processes and correctly report taxes receivable and the resulting revenues and deferred inflows.

##### **Liabilities**

The workpapers to support accounts payable, loans payable and contracts payable initially included a summation error that incorrectly allocated payables, loans payable and contracts payable. The grand totals were correct but were allocated incorrectly across all funds. Upon finding the error, the correction was immediately made, and the financial statements were adjusted to be properly stated. As this was a formula error in a spreadsheet, the County has directed its consultants to include additional proofing procedures to mitigate against such errors. Examples include check totals, manually computing control totals for selected funds to compare with formulized totals and finally reasonableness checks against prior year reported totals.

117 N. Second Street, Room 203 ~ Goshen, IN 46526 ~ (574)535-6719 ~ Fax (574) 535-6615

The County will evidence control over the reporting of loans payable, interfund loans and advances from other funds. During the course of the Audit, the County recognized the need to correct the labeling of these activities and subsequently the County updated the accounting and reporting processes for these items. The County has created workpapers to substantiate each of these reporting items and have included the results in the final report. Future reports will carry forward this information adjusted for any transactions to increase or decrease the reported totals.

In future reports, the County will ensure that data provided to the actuary to compute other post-employment (OPEB) liabilities is approved by management before being sent to the actuary. 2019 is the first year that the County prepared an OPEB report and this procedure was not documented in writing.

### **Financial Reporting**

The errors in financial reporting were the result of the findings described above. Major Fund determinations change each time assets and deferred outflows, liabilities and deferred inflows, revenues or expenses change. Once the County identified and made corrections, updates were provided to the auditors in a timely manner and updated major fund workpapers were computed and provided. These same issues carried forward into the notes to the financial statements. Again, as soon as the County recognized necessary changes to the financial statements, the notes to the financial statements were edited to recognize the changes and updates provided to the Auditor.

The County had four supplemental funds that were discovered during the audit. These funds were not reported on the prior 2018 or the current 2019 gateway annual reports -- which served as the basis for the initial financial statements. The county recognized the need to include these supplemental funds (funds where the accounting and reporting is NOT part of the County's main accounting system). Going forward, supplemental CARs will be included in the Gateway Annual Report and in the GAAP financial statements.

Landfill transfers in and transfers out were due to transfers between funds that should have been eliminated for reporting purposes. This correction was made during the audit and the underlying processes and coding were updated to ensure future reports eliminate these intra-fund entries.

In closing, the County had findings associated with the initial GAAP report. Objectively, the County expected findings because no historical GAAP records existed in the County. In nearly all instances, corrections have already been made to the County's accounting and reporting processes for these areas.

### **Component Unit**

The County recognizes the need for controls to ensure the balances of the County's discretely presented component unit (Elkhart County Solid Waste District) are accurately reported. The County has addressed findings during the 2019 audit and has updated the underlying processes to correct the 2019 report and establish more reliable procedures for future reports.

The County will also review internal control procedures with the Elkhart County Solid Waste District to ensure that the component unit is aware of the 5 components and 17 principles of effective internal controls as outlined in the *Uniform Internal Control Standards for Indiana Political Subdivisions*. This will be evidenced by meeting (or meetings) between the County Auditor's office, County Consultants, and the component unit.

Anticipated Completion Date:

In nearly all cases of assets, liabilities and financial reporting, changes were made during the 2019 audit to update the accounting and reporting processes to result in materially correct financial statements. For items not already updated, the County will receive and review supporting documentation used to prepare the 2019 report. Any additional changes will be updated before the 2020 report.

Given the time of year and the timing of this response, work with the component until will begin as soon as practical and completed before the 2020 report is issued.

# ELKHART COUNTY AUDITORS OFFICE

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Patricia A. Pickens Auditor

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-002***

Contact Person Responsible for Corrective Action: Fred Avery, First Deputy Auditor

Contact Phone Number: 574-535-6719

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

The First Deputy Auditor will obtain further clarification on how to best fill out the SEFA report. The correction should have an immediate impact on future reporting. The First Deputy Auditor has also received direction as it pertains to the receipt of grants by various departments and determining whether those dollars constitute federal dollars. The First Deputy Auditor will communicate with the various department heads to ensure that the federal awards are reported correctly.

As it pertains to internal controls, going forward, the First Deputy Auditor will prepare the SEFA. A further mechanism will be established whereby the Auditor will review and approve the SEFA.

Anticipated Completion Date: The process will be determined and implemented prior to the next SEFA submission.



## ELKHART COUNTY PARKS

211 West Lincoln Avenue | Goshen, Indiana 46526-3280

Phone: 574-535-6458 | Fax: 574-535-6616

www.elkhartcountyparks.org

### Corrective Action Plan

#### *Finding 2019-003*

Contact Person Responsible for Correction Action: Ronda DeCaire

Contact Phone Number: (574) 535-6458

Views of Responsible Official: We concur with this finding but verification may have taken place via hired engineering firm, but their employee assigned to this project has since left and proof of a search was not documented. There were no specific requirements retaining documentation for Suspension and Debarment in the IDNR Recreational Trail Grant manual and I was unaware of the Indiana State Board of Accounts' requirement for retaining documentation of this process.

Description of Corrective Action Plan: Upon entering a contract involving direct federal funds we will ensure contractors are in compliance with the suspension and debarment requirements. We will ensure this is properly done in the future by documenting one of the following:

- 1) Checking SAM Exclusions; or
- 2) Collecting a certification from that person; or
- 3) Adding a clause or condition to the covered transaction with that person.

Anticipated Completion Date: This process will begin immediately.



**1400 Hudson St.  
Elkhart, IN 46516**  
p: 574-522-0104  
f (healthy babies): 574-522-1902  
f (WIC): 574-522-2539  
f (dental): 574-295-6180

**117 N. Second St.  
Goshen, IN 46526**  
p: 574-535-6765  
f: 574-535-6663

**109 E. Market St.  
Nappanee, IN 46550**  
p: 574-773-3006  
f: 574-773-3006

[elkhartcountyhealth.org](http://elkhartcountyhealth.org)  
[healthybeginningselkhart.org](http://healthybeginningselkhart.org)

Thursday, December 3, 2020

## CORRECTIVE ACTION PLAN

### FINDING 2019-003

**Contact Person Responsible for Corrective Action:**  
Melanie Sizemore

**Contact Phone Number:** 574/522-0104

**Views of responsible official:** We concur with the finding

**Description of the corrective action plan:** Moving forward, Healthy Beginnings' WIC program has now been made aware of suspended or debarred for participation lists and the need to review it before choosing a vendor. We will continue to seek state WIC approval before the selection of the vendor due to budgetary requirements. We will then check the list to ensure our chosen vendor is not on the list and that we have not exceeded the county's threshold on purchases. We will also seek approval by the director of buildings and grounds for the vendor and product we seek to purchase.

**Anticipated Completion Date:** September 2, 2020



Elkhart County Health Department



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# ELKHART COUNTY AUDITORS OFFICE

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Patricia A. Pickens Auditor

## CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Fred Avery, First Deputy Auditor

Contact Phone Number: 574-535-6719

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

Typically, the Auditor reviews the claim submitted by Subrecipient to ensure that it complies with the grant agreement. After the Auditor's review, the First Deputy Auditor reviews and verifies compliance. Then, a request is made through the Payment Management System (PMS), Department of Health and Human Services for that month's claims so that reimbursement is received prior to writing a claim for payment to the Subrecipient. Once this is received, a claim is written and entered into the financial system for payment with the next week's claims. We will need to receive permission from the Elkhart County Commissioners through a resolution to do whatever is necessary to process these requests outside of the normal operation of our claims process, which will involve doing a direct deposit of the Subrecipient's claim request as soon as we receive reimbursement from the Department of Health and Human Services.

Anticipated Completion Date: 12-31-2020

## 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/>.