

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JASPER COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED
11/24/2021

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
County Auditor:	
Audit Results and Comments:	
Internal Controls over Financial Reporting.....	6
Accounting for Coronavirus Relief Funds Administered by IFA.....	6-7
Exit Conference	8
Clerk of the Circuit Court:	
Audit Result and Comment:	
Clerk's Trust Items	10-11
Official Response.....	12
Exit Conference	13

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kimberly K. Grow Donya Jordan	01-01-20 to 12-31-20 01-01-21 to 12-31-21
County Treasurer	Donya Jordan Tammy McEwan	01-01-20 to 12-31-20 01-01-21 to 12-31-21
Clerk of the Circuit Court	Kara Fishburn	01-01-20 to 12-31-21
County Sheriff	Patrick M. Williamson, Sr.	01-01-20 to 12-31-21
County Recorder	Beth Warren Kimberly K. Grow	01-01-20 to 12-31-20 01-01-21 to 12-31-21
President of the Board of County Commissioners	Kendell Culp	01-01-20 to 12-31-21
President of the County Council	Rein O. Bontreger	01-01-20 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF JASPER COUNTY, INDIANA

This report is supplemental to our audit report of Jasper County (County), for the period from January 1, 2020 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 16, 2021

(This page intentionally left blank.)

COUNTY AUDITOR
JASPER COUNTY

COUNTY AUDITOR
JASPER COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL REPORTING

A similar comment also appeared in prior Reports B55858 and B53625, entitled *FINANCIAL TRANSACTIONS AND REPORTING*.

Condition and Context

The County had not established internal controls over the preparation of the Annual Financial Report (AFR) entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the financial statement.

The AFR was prepared and submitted by the County Auditor without evidence of a review or oversight. The failure to establish internal controls could have enabled material misstatements to be undetected.

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. . . ."

ACCOUNTING FOR CORONAVIRUS RELIEF FUNDS ADMINISTERED BY IFA

Condition and Context

The County did not properly account for the Coronavirus Relief Fund (CRF) in accordance with the options outlined in State Examiner Directive 2020-3 (Directive).

COUNTY AUDITOR
JASPER COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The public health and safety payroll cost reimbursements were receipted into the COVID19 CARES ACT fund (CARES fund) on September 11, 2020, and December 3, 2020. The reimbursement amounts should have been subsequently moved through the claims process to the General fund leaving a zero balance in the CARES fund; however, the payment from the CARES fund to the General fund was not made.

The Cares fund had a cash and investment balance of \$1,062,109 on December 31, 2020. This was subsequently corrected on June 8, 2021, in line with the resolution the County passed on January 19, 2021, allowing for the claim of the funds from the CARES fund to the General fund.

Criteria

Each local unit of government that receives an allocation from the Coronavirus Relief Fund administered by IFA shall establish a separate CARES grant fund with a fund number consistent with memorandum *Accounting and Appropriation of COVID-19 Grants, April 29, 2020* (updated September 29, 2020).

All Reimbursements received from IFA shall be receipted into a separate CARES grant fund that is specific to IFA reimbursements. . . .

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options. . . .

Option Two. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum *CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020*. (State Examiner Directive 2020-3)**

COUNTY AUDITOR
JASPER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 16, 2021, with Donya Jordan, County Auditor; Rein O. Bontreger, President of the County Council; Gary Fritts, County Council member; Stephen Jordan, County Council member; Richard Maxwell, County Commissioner; and Tammy McEwan, County Treasurer.

CLERK OF THE CIRCUIT COURT
JASPER COUNTY

CLERK OF THE CIRCUIT COURT
JASPER COUNTY
AUDIT RESULT AND COMMENT

CLERK'S TRUST ITEMS

Condition and Context

The Clerk of the Circuit Court's (Clerk) office had \$915,497 held in trust at December 31, 2020. Of the 25 trust items tested, 5, or 20 percent, were determined not to have been properly distributed. The 5 trust items should have been forfeited, however, there was no forfeit order.

Criteria

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 Clerks of the Circuit Courts of Indiana, Chapter 1)

Indiana Code 35-33-8-7 states:

"(a) If a defendant:

- (1) was admitted to bail under section 3.2(a)(2) of this chapter; and
- (2) has failed to appear before the court as ordered;

the court shall, except as provided in subsection (b) or section 8(b) of this chapter, declare the bond forfeited not earlier than one hundred twenty (120) days or more than three hundred sixty-five (365) days after the defendant's failure to appear and issue a warrant for the defendant's arrest.

(b) In a criminal case, if the court having jurisdiction over the criminal case receives written notice of a pending civil action or unsatisfied judgment against the criminal defendant arising out of the same transaction or occurrence forming the basis of the criminal case, funds deposited with the clerk of the court under section 3.2(a)(2) of this chapter may not be declared forfeited by the court, and the court shall order the deposited funds to be held by the clerk. If there is an entry of final judgment in favor of the plaintiff in the civil action, and if the deposit and the bond are subject to forfeiture, the criminal court shall order payment of all or any part of the deposit to the plaintiff in the action, as is necessary to satisfy the judgment. The court shall then order the remainder of the deposit, if any, and the bond forfeited.

CLERK OF THE CIRCUIT COURT
JASPER COUNTY
AUDIT RESULT AND COMMENT
(Continued)

(c) Any proceedings concerning the bond, or its forfeiture, judgment, or execution of judgment, shall be held in the court that admitted the defendant to bail.

(d) After a bond has been forfeited under subsection (a) or (b), the clerk shall mail notice of forfeiture to the defendant. In addition, unless the court finds that there was justification for the defendant's failure to appear, the court shall immediately enter judgment, without pleadings and without change of judge or change of venue, against the defendant for the amount of the bail bond, and the clerk shall record the judgment.

(e) If a bond is forfeited and the court has entered a judgment under subsection (d), the clerk shall transfer to the state common school fund:

(1) any amount remaining on deposit with the court (less the fees retained by the clerk);
and

(2) any amount collected in satisfaction of the judgment.

(f) The clerk shall return a deposit, less the administrative fee, made under section 3.2(a)(2) of this chapter to the defendant, if the defendant appeared at trial and the other critical stages of the legal proceedings."



Kara Fishburn

Clerk of the 30th Judicial Circuit Court of Jasper County



November 16, 2021

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

RE: Jasper County Clerk's – OFFICAL RESPONSE

Dear Sirs:

I wish to file an official response to the results and comments in the exit conference that was held on November 16, 2021. It was stated that 5 of our trust items, which were cash bonds, should have been distributed. However, the Judges entered orders, ordering the Jasper County Clerk to hold said bonds as there were active warrants on each of those 5 cases. This results in being out of our control, as the Judges have ordered the Jasper County Clerk to hold said bonds and we have to abide by all court orders.

As I understand, we are not the only County that this happens to. Thank you and if you should have any questions, please let me know.

Sincerely,

Kara Fishburn
Jasper County Clerk

Cc: Tyler Millington

CLERK OF THE CIRCUIT COURT
JASPER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 16, 2021, with Kara Fishburn, Clerk of the Circuit Court; Carol Ann Minter, Deputy Clerk; Donya Jordan, County Auditor; Rein O. Bontreger, President of the County Council; Gary Fritts, County Council member; Stephen Jordan, County Council member; Richard Maxwell, County Commissioner; and Tammy McEwan, County Treasurer.