

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PUTNAM COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED
03/22/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Lorie Hallett Kristina Berish	01-01-20 to 12-31-20 01-01-21 to 12-31-22
County Treasurer	Kathy Minnick	01-01-20 to 12-31-22
Clerk of the Circuit Court	Heather Gilbert	01-01-20 to 12-31-22
County Sheriff	Scott Stockton	01-01-20 to 12-31-22
County Recorder	Tracy Bridges	01-01-20 to 12-31-22
President of the Board of County Commissioners	Rick Woodall	01-01-20 to 12-31-22
President of the County Council	Dave Fuhrman	01-01-20 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF PUTNAM COUNTY, INDIANA

This report is supplemental to our audit report of Putnam 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 16, 2022

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COUNTY AUDITOR
PUTNAM COUNTY

COUNTY AUDITOR
PUTNAM COUNTY
AUDIT RESULT AND COMMENT

ACCOUNTING FOR IFA ADMINISTERED CORONAVIRUS FUNDS

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).

The payroll reimbursement from the Indiana Finance Authority (IFA) was receipted into the COVID - Cares fund. A claim was then prepared against the fund for a portion of the reimbursement. The claim was receipted into the General Fund, the Emergency Medical Services fund, the Health fund, and the Health Department Vaccine fund. The full amount should have been claimed to the General Fund, or Option One of the Directive should have been followed for the portion claimed to the other funds. By not creating reversing entries, expenditure activities were reflected in the incorrect fund and did not re-establish appropriations.

The COVID - Cares fund had a year-end balance of \$490,299 due to only a portion of the reimbursement being claimed to other funds. The balance was subsequently corrected in April 2021.

Criteria

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 One. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other fund) in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the general fund (or other fund), it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

Once option one is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

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
PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2022, with Kristina Berish, County Auditor; Rick Woodall, President of the Board of County Commissioners; and Dave Fuhrman, President of the County Council.

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BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY

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PUTNAM COUNTY
AUDIT RESULT AND COMMENT

CAPITAL ASSETS

This same comment appeared in a Management Letter addressed to the County Auditor, County Council, and Board of County Commissioners for the audit period ending December 31, 2019.

Condition and Context

The County had not adopted a capital assets policy as of December 31, 2020.

Criteria

The governing body of a unit must have a written policy concerning capital assets that includes at a minimum, the threshold at which an item is considered a capital asset. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

BOARD OF COUNTY COMMISSIONERS
PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2022, with Kristina Berish, County Auditor; Rick Woodall, President of the Board of County Commissioners; and Dave Fuhrman, President of the County Council.