

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CRAWFORD 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	Christian Howell	01-01-20 to 12-31-22
County Treasurer	Kelli R. Slaughterback Janice Mitchell	01-01-20 to 12-31-20 01-01-21 to 12-31-22
Clerk of the Circuit Court	Lisa Holzbog	01-01-20 to 12-31-22
County Sheriff	Jeff Howell	01-01-20 to 12-31-22
County Recorder	Jessica Villegas	01-01-20 to 12-31-22
President of the Board of County Commissioners	Morton Dale Daniel Crecelius Morton Dale	01-01-20 to 12-31-20 01-01-21 to 12-31-21 01-01-22 to 12-31-22
President of the County Council	Chad Riddle Mark Stevens	01-01-20 to 12-31-21 01-01-22 to 12-31-22



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

TO: THE OFFICIALS OF CRAWFORD COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Crawford County (County), for the year ended December 31, 2020, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated March 15, 2022, wherein we noted the County followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002, to be material weaknesses.

A significant deficiency is a deficiency, or a 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. We consider the deficiency, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003, to be a significant deficiency.

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the County's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001.

***Crawford County's Response to Findings***

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 15, 2022



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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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 CRAWFORD COUNTY, INDIANA

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

We have audited Crawford 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, 2020. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

**Report on Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

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

We have audited the financial statement of the County, as of and for the year ended December 31, 2020, and the related notes to the financial statement. We issued our report thereon dated March 15, 2022, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



Beth Kelley, CPA, CFE  
Deputy State Examiner

March 15, 2022

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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.

CRAWFORD COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<b>Department of Commerce</b>					
Economic Development Cluster Economic Adjustment Assistance Crawford County RLF	Direct Grant	11.307	06-79-02990	\$ -	\$ 192,670
Total - Economic Development Cluster				-	192,670
Total - Department of Commerce				-	192,670
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster Highway Planning and Construction Bridge Inspections Bridge 42 Bridge 129 Bridge 43 Bridge 42 B	Indiana Department of Transportation	20.205	DES 1595981 DES 1800979 DES 0901105 DES 1400825 DES 1400804	- - - - -	107,678 87,300 4,811 7,580 62,401
Total - Highway Planning and Construction Cluster				-	269,770
Total - Department of Transportation				-	269,770
<b>Department of the Treasury</b>					
COVID-19 - Coronavirus Relief Fund Crawford County COVID	Indiana Finance Authority	21.019	FY2020	2,791	342,541
Total - Department of the Treasury				2,791	342,541
<b>Department of Health and Human Services</b>					
Child Support Enforcement Circuit Court Clerk Expenditures Indirect Costs County Prosecutor Expenditures County Incentives Clerk Incentives Prosecutor Incentives	Indiana Department of Child Services	93.563	FY2020 FY2020 FY2020 FY2020 FY2020 FY2020	- - - - - -	12,431 33,357 55,464 9,175 137 11,746
Total - Child Support Enforcement				-	122,310
Opioid STR Problem Solving Grant	Indiana Supreme Court	93.788	20-5JC89-C13-001	-	30,980
Total - Department of Health and Human Services				-	153,290
<b>Department of Homeland Security</b>					
Homeland Security Grant Program Outdoor Hazardous Event Warning Siren Crawford EOC Laptop Computers	Indiana Department of Homeland Security	97.067	Contract #28937 Contract #38236	- -	21,115 11,139
Total - Department of Homeland Security				-	32,254
Total federal awards expended				\$ 2,791	\$ 990,525

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

CRAWFORD 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, 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

*B. Other Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Note 2. Indirect Cost Rate**

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Calculation of Expenditures of the Economic Development Cluster Presented on the SEFA**

The reported expenditures were calculated as follows in accordance with guidance from the grantor:

Description	Amount
Balance of Revolving Loan Fund loans outstanding at December 31, 2020	\$ 194,885
Add: Cash and Investment balance of FLRLF at December 31, 2020	77,802
Add: Administrative expenses paid out of FLRLF during 2020	2,555
Total Expenditures	275,242
Multiplied by the Federal Participation Rate	0.70
Total presented on SEFA	\$ 192,670

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
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 Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
21.019	Highway Planning and Construction Cluster COVID-19 - Coronavirus Relief Fund	Unmodified Unmodified

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2020-001**

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2019-003.

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

The County had not established effective internal controls over the federal award information entered in the Indiana Gateway for Government Units financial reporting system, which was the source of the County's Schedule of Expenditures of Federal Awards (SEFA). The County did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA.

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

1. The Economic Development Cluster was omitted, which understated expenditures by \$192,670.
2. The Child Support Enforcement Program expenditures were understated by \$4,674.
3. The Homeland Security Grant Program expenditures were understated by \$21,115.
4. Two projects' expenditures within the Highway Planning and Construction Cluster were understated by a total of \$101,713, and one project's expenditures were overstated by \$106,468, resulting in a net overstatement of \$4,755.
5. The COVID-19 - Coronavirus Relief Fund expenditures were understated by \$2,280.
6. The amount passed through to subrecipients was understated by \$2,791.
7. Other errors included an incorrect program name and Assistance Listings Number, incorrect pass-through entity names, and pass-through identifying numbers.

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. . . ."

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.303 states in part:

"The non-federal entity must:

- (a) Establish and maintain effective internal control . . . "

2 CFR 200.62 states in part:

*"Internal control over compliance requirements for Federal awards* mean a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- (a) Transactions are properly recorded and accounted for, in order to:

- (1) Permit the preparation of reliable financial statements . . . "

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. 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 Assistance Listings Number or other identifying number when the Assistance Listings 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.

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (5) For loan or loan guarantee programs described in § 200.502(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."

*Cause*

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

*Effect*

Without a proper system of internal control 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.

**FINDING 2020-002**

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report regarding internal controls over financial transactions and reporting. The prior audit finding number was 2019-001.

*Condition and Context*

There were deficiencies in the internal control system of the County related to financial close and reporting. The County had not properly implemented internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the Annual Financial Report (AFR) and the financial statement. There was no supporting documentation to show there was a proper review or approval process in place over the input of financial information to prevent, or detect and correct, errors.

*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:

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

"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. . . ."

*Cause*

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

*Effect*

The failure to establish a system of internal control that operated effectively could have enabled material misstatements or irregularities to occur and remain undetected.

*Views of Responsible Officials*

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

**FINDING 2020-003**

Subject: Financial Transactions and Reporting - Sheriff's Department  
Audit Finding: Significant Deficiency

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2019-002.

*Condition and Context*

There were deficiencies in the internal control system of the Sheriff's Commissary Fund and Inmate Trust Fund related to financial transactions and reporting. An effective internal control system had not been established that separated incompatible activities related to financial transactions and reporting.

*Cash and Investments*

One individual performed the reconciliation of the depository account with the record balance. There was no evidence of an oversight, review, or approval process to ensure that bank reconciliations were properly completed.

CRAWFORD COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Financial Close and Reporting*

The Office Administrator prepared the Supplemental Annual Financial Report, which was reviewed and approved by the County Sheriff prior to submission to the County Auditor. However, the internal control was not effective in ensuring that the information was accurate prior to submission to the County Auditor.

*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. . . ."

*Cause*

Management of the Sheriff's Department had not established a proper system of internal control over financial transactions and reporting.

*Effect*

The failure to establish a system of internal control that operated effectively could have 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.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

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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.

**CRAWFORD COUNTY AUDITOR**  
**715 JUDICIAL PLAZA DRIVE ENGLISH, IN 47118**  
**P.O. BOX 316**  
**(812)338-2601**  
**FAX (812)338-3506**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2019-001***

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding:

Department heads review and approve employee timesheets. The Deputy Auditor prepares, and inputs payroll information based on the timesheets provided by the department heads. A payroll voucher is prepared by the Deputy Auditor and reviewed and approved by the County Auditor and Commissioners.

Due to a clerical error, the Annual report was misstated in the reporting. The Annual Report will be verified by the Deputy Auditor once it is entered into Gateway and before final submission. Also, the Annual Report will be compared to the Transaction History to ensure accuracy by the Deputy Auditor and County Auditor.

***FINDING 2019-003***

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding: With the current action plan ongoing, the Auditor's office is looking for a more effective way to avoid errors in the SEFA and ensure complete and total accuracy. One thing that will change, department heads will receive copies of information entered to make sure it is correct and nothing is omitted.

Christian Howell  
Crawford County Auditor

**Crawford County Sheriff's Department  
PO Box 220  
English, Indiana 47118  
Jeff Howell, Sheriff  
812-338-2802**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2019-002***

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding: The previous findings are currently being corrected by the means of more internal control and more efficient programs. We have a new computer program that we will be using for the commissary account. We are using a system called lockdown for the Inmate Trust account. This will aid in ensuring that information is accurate on the Supplemental Annual Financial Report. The reconcilements will be done monthly as well. The office Administrator will be completing these, and the assistant will be checking them.

# Crawford County Highway Department

Crawford County Commissioners:  
Morton Dale, President  
Dan Crecelius, Member  
Larry Ingle, Member

717 E State Road 64  
English, IN 47118  
P: 812-338-2162 F: 812-338-2452

Highway Administration:  
Ernie Keck Sr., Superintendent  
Laura Mahoney, Clerk

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2019-004**

Fiscal year in which the finding initially occurred: 2018

Status of Audit Finding: The corrective action has been taken.

**CRAWFORD COUNTY AUDITOR  
715 JUDICIAL PLAZA DRIVE ENGLISH, IN 47118  
P.O. BOX 316  
(812)338-2601  
FAX (812)338-3506**

**CORRECTIVE ACTION PLAN**

***FINDING 2020-001***

Contact Person Responsible for Corrective Action: Christian Howell  
Contact Phone Number: 812-338-2601

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Our office keeps folders for all grants. These folders include copies of claims paid, receipts and other grant information available such as DES #, titles, etc. A board member will review the information entered into Gateway before final submission. A copy of schedule will be provided to the various departments heads who routinely receive grants to ensure all grants are included and that the information is correct.

Anticipated Completion Date: March 2022

**CRAWFORD COUNTY AUDITOR  
715 JUDICIAL PLAZA DRIVE ENGLISH, IN 47118  
P.O. BOX 316  
(812)338-2601  
FAX (812)338-3506**

**CORRECTIVE ACTION PLAN**

***FINDING 2020-002***

Contact Person Responsible for Corrective Action: Christian Howell  
Contact Phone Number: 812-338-2601

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Annual Report will be verified by my Chief Deputy once it is entered into Gateway and before final submission. Also, the Annual Report will be compared to the Transaction History to ensure accuracy by my Chief Deputy Auditor and myself.

Anticipated Completion Date: February 2022

**Crawford County Sheriff's Department  
PO Box 220  
English, Indiana 47118  
Jeff Howell, Sheriff  
812-338-2802**

***FINDING 2020-003***

Contact Person Responsible for Corrective Action: Jeff Howell  
Contact Phone Number:812-338-2802

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: We got a new computer program that we are using for the commissary account in 2021 to ensure all activity is accounted for. We are using a system called Lockdown for the inmate trust account. This will aid in ensuring that information is accurate on the Supplemental Annual Financial Report.

The Supplemental Annual Financial Report will be prepared by the Office Administrator and reviewed by the County Sheriff. These procedures will be put in place for the 2021 Supplemental Annual Financial Report.

Monthly reconcilements performed by the Office Administrator will be reviewed by the Assistant. These procedures will be put in place starting March 2022.

## 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/>.