

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CLARK COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
04/12/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Danny Yost	01-01-19 to 12-31-22
County Treasurer	R. Monty Snelling	01-01-19 to 12-31-22
Clerk of the Circuit Court	Susan Popp	01-01-15 to 12-31-22
County Sheriff	Jamey Noel	01-01-15 to 12-31-22
County Recorder	Terry E. Conway	01-01-19 to 12-31-22
President of the Board of County Commissioners	Jack Coffman Bryan Glover	01-01-19 to 12-31-21 01-01-22 to 12-31-22
President of the County Council	Barbara Hollis	01-01-19 to 12-31-22



INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AS REQUIRED BY UNIFORM GUIDANCE

TO: THE OFFICIALS OF CLARK COUNTY, INDIANA

Report on the Schedule of Expenditures of Federal Awards

We have audited the accompanying Schedule of Expenditures of Federal Awards (SEFA) of Clark County (County) for the year ended December 31, 2019, and the related notes to the SEFA (the financial statement).

Management's Responsibility

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1.B; this includes determining that the cash basis of accounting is an acceptable basis for presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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 the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AS REQUIRED BY UNIFORM GUIDANCE
(Continued)

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the expenditures of federal awards of the County for the year ended December 31, 2019, in accordance with the cash basis of accounting as described in Note 1.B.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 31, 2022, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 31, 2022



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

TO: THE OFFICIALS OF CLARK 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 Schedule of Expenditures of Federal Awards (SEFA) of Clark County (County), for the year ended December 31, 2019, and the related notes to the SEFA (financial statement), and have issued our report thereon dated March 31, 2022.

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.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS 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 2019-001.

Clark 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 31, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF CLARK COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Clark 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.

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, 2019.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE 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, 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 item 2019-002, 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.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 31, 2022

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.

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CLARK 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>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2019	\$ -	\$ 10,321
School Breakfast Program					
National School Lunch Program					
School Lunch Program	Indiana Department of Education	10.555	FY 2019	-	19,428
Commodities			FY 2019	-	1,261
Total - National School Lunch Program				-	20,689
Total - Child Nutrition Cluster				-	31,010
Total - Department of Agriculture				-	31,010
<u>Department of Justice</u>					
Edward Byrne Memorial Justice Assistance Grant Program 16.738 Edward Byrne Mem. JAG	Indiana Criminal Justice Institute	16.738	JAG-2019-00056	-	29,358
Juvenile Justice and Delinquency Prevention Juv Probation Clinical Service Cord	Indiana Criminal Justice Institute	16.540	TII-2019-00012	-	54,217
Crime Victim Assistance VOCA Grant/Prosecutor	Indiana Criminal Justice Institute	16.575	15VA5736	-	67,707
Violence Against Women Formula Grants Domestic Violence Grant Stop Grant Police	Indiana Criminal Justice Institute	16.588	16ST5162 EDS#D3-17-11317	-	20,482 41,575
Total - Violence Against Women Formula Grants				-	62,057
Equitable Sharing Program Federal Forfeiture	Direct grant	16.922	2019	-	137,650
Total - Department of Justice				-	350,989
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction Highway-Bethany Road	Indiana Department of Transportation	20.205	DES No. 0710003	-	763,373
Old Salem Road Project			DES No. 1382057	-	103,361
Cum Bridge Inspection and Inventory			DES No. 1500201	-	50,993
Cum Cap Sign Inventory			DES No. 1401347	-	33,703
Total - Highway Planning and Construction				-	951,430
Total - Highway Planning and Construction Cluster				-	951,430

CLARK 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
Highway Safety Cluster State and Community Highway Safety 2016 Non-Motorist-Jeff Police	Indiana Criminal Justice Institute	20.600	PED-BIKE-2019-00003	-	4,000
Total - Highway Safety Cluster				-	4,000
Total - Department of Transportation				-	955,430
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Public Health Preparedness	Indiana State Department of Health	93.074	U90TP000521	-	45,386
Injury Prevention and Control Research and State and Community Based Programs Overdose Response Pilot	Indiana State Department of Health	93.136	SCM24296	-	10,000
Substance Abuse and Mental Health Services Projects of Regional and National Significance CCFTDC Bridge to Success	Direct Grant	93.243	1H79TI080821-01	-	396,666
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response HIV Prevention Project	Indiana State Department of Health	93.354	2019	-	68,252
Child Support Enforcement Clerk IV-D Inc.-Post '99 Pros. IV-D Inc.-Post '99 Title IV-D Incentive FFP Reimbursement Earned Indirect Costs	Indiana Department of Child Services	93.563	1604INCEST 1604INCEST 1604INCEST 1704INCSES 1804INCSES	- - - - -	7,824 7,213 1,909 276,345 42,711
Total - Child Support Enforcement				-	336,002
State Court Improvement Program Professional Development	Indiana State Department of Health	93.586	1801INSCIT	-	3,844
Opioid STR Opioid Training	Indiana State Department of Health	93.788	OPIOIDSORF18	-	3,793
Childhood Lead Poisoning Prevention Projects_ State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children Childhood lead Poisoning	Indiana State Department of Health	93.197	NUE2EH001379	-	9,906

CLARK 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
HIV Care Formula Grants	Indiana State Department of Health	93.917			
Sexually Trans Disease			X08HA00033	-	147,140
HIV Care formula			X08HA00033	-	49,263
Sexually Transmitted Disease			X08HA31247	-	261,024
Ryan White Part B			X08HA31247	-	50,015
Total - HIV Care Formula Grants				-	507,442
HIV Prevention Activities Health Department Based	Indiana State Department of Health	93.940			
HIV Prevention			SCM15110	-	127,655
Block Grants for Prevention and Treatment of Substance Abuse	Indiana State Department of Health	93.959			
Quit Smoking for Babies			A70-4-13870	-	64,137
HIV Substance Abuse			SAPT 109-11	-	50,269
Total - Block Grants for Prevention and Treatment of Substance Abuse				-	114,406
Maternal and Child Health Services Block Grant to the States	Indiana State Department of Health	93.994			
Quit for Babies			40093994TITLV18	-	15,453
Total - Department of Health and Human Services				-	1,638,805
Department of Homeland Security					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036			
FEMA			019-UTOWZ-00	-	8,008
Port Security Grant Program	Direct grant	97.056			
FY 2017 Port Security Grant			EMW-2017-PU-00453	-	52,757
2016 Port Security-Marine Vessel			EMW-2016-PU00071	-	8
Port Security 3			EMW-2018-PU-00292	-	16,518
Total - Port Security Grant Program				-	69,283
Total - Department of Homeland Security				-	77,291
Total federal awards expended				\$ -	\$ 3,053,525

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

CLARK COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2019. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the County, it is not intended to and does not present the financial position of the County.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the 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.

CLARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Schedule of Expenditures of Federal Awards (SEFA):

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to the SEFA 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
93.917	Highway Planning and Construction Cluster HIV Care Formula Grants	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 2019-001

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 2018-001.

Condition and Context

The County had not established effective internal controls over the federal award information entered in the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the County's Schedule of Expenditures of Federal Awards (SEFA).

CLARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The County failed to properly review the federal grant information prepared and submitted in Gateway. Although the Chief Deputy County Auditor prepared and entered the federal award information into Gateway, and the County Auditor 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 included the following errors:

1. The HIV Care Formula Grants expenditures were understated by \$210,835.
2. The Substance Abuse and Mental Health Services Projects of Regional and National Significance expenditures were understated by \$244,457.
3. Several other grants had individually immaterial errors that resulted in a combined misstatement of \$330,537.
4. Other errors included incorrect pass-through entity names, program names, and 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

CLARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.62 states in part:

"Internal control over compliance requirements for Federal awards means 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 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."

CLARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had not established a 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.

Section III - Federal Award Findings and Questioned Costs

FINDING 2019-002

Subject: HIV Care Formula Grants - Internal Controls
Federal Agency: Department of Health and Human Services
Federal Program: HIV Care Formula Grants
CFDA Number: 93.917
Federal Award Numbers and Years(or Other Identifying Numbers): X08HA00033, X08HA31247
Pass-Through Entity: Indiana State Department of Health
Compliance Requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles;
Cash Management; Matching, Level of Effort, Earmarking
Audit Finding: Material Weakness

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the County to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; and Matching, Level of Effort, Earmarking.

The County Health Department Bookkeeper prepared and submitted the claims, reimbursement requests, and reports for the grant program without review or oversight. No auditable evidence was presented that indicated there were internal controls over the compliance requirements to prevent, or detect and correct, errors.

The lack of internal controls was a systemic issue, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

CLARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(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). . . ."

Cause

Management had not developed a system of internal control that would have ensured compliance with the grant agreement and the compliance requirements listed above.

Effect

The failure to establish an effective internal control system placed the County at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the County's management establish a system of internal control to ensure compliance with the grant agreement and the compliance requirements listed above.

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.



DANNY F. YOST

CLARK COUNTY AUDITOR

501 E. Court Avenue, Room 118

Jeffersonville, IN 47130-4090

(812) 285-6211

Fax (812) 285-6216

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001

Fiscal Year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: None

Contact Person Responsible for Corrective Action: Danny Yost (Clark County Auditor)

Contact Phone Number: (812) 285-6211

Status of Audit Finding:

The Corrective Action Plan for this Finding was submitted by the previous Auditor, R. Monty Snelling, whose term as Auditor ended on December 31, 2018. Mr. Snelling had already begun the implementation of the Corrective Action Plan before his term ended. Danny Yost, who began his term as the new Auditor on January 1, 2019, has continued to implement the previously submitted Corrective Action Plan, including the utilization of a different Payroll Deputy Employee and additional oversight, verification and segregation of duties, as more fully set forth in the said Corrective Action Plan. In July 2019, additional measures of dual control were put in place. As of December 2021, the County Auditor's additional oversight, verification and segregation of duties are on-going and the Auditor is continuing to refine these controls. To the best of the knowledge and belief of the Clark County Auditor, the Corrective Action Plan is working sufficiently to ensure compliance with all rules and regulations subject to the on-going corrections and the refinement of the controls.



DANNY F. YOST

CLARK COUNTY AUDITOR

501 E. Court Avenue, Room 118

Jeffersonville, IN 47130-4090

(812) 285-6211

Fax (812) 285-6216

FINDING 2018-002

Fiscal Year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: None

Contact Person Responsible for Corrective Action: Danny Yost (Clark County Auditor)

Contact Phone Number: (812) 285-6211

Status of Audit Finding:

The Corrective Action Plan for this Finding was submitted by the previous Auditor, R. Monty Snelling, whose term as Auditor ended on December 31, 2018. Mr. Snelling had already begun the implementation of the Corrective Action Plan before his term ended. Danny Yost, who began his term as the new Auditor on January 1, 2019, has continued to implement the previously submitted Corrective Action Plan, including the utilization of a different Payroll Deputy Employee and additional oversight, verification and segregation of duties, as more fully set forth in the said Corrective Action Plan. In July 2019 additional measures of dual control were put in place. As of December 2021, the County Auditor's additional oversight, verification and segregation of duties are on-going and the Auditor is continuing to refine these controls. To the best of the knowledge and belief of the Clark County Auditor, the Corrective Action Plan is working sufficiently to ensure compliance with all rules and regulations subject to the on-going corrections and the refinement of the controls.

FINDING 2018-003

Fiscal Year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: None

Contact Person Responsible for Corrective Action: Danny Yost (Clark County Auditor)

Contact Phone Number: (812) 285-6211

Status of Audit Finding:



DANNY F. YOST

CLARK COUNTY AUDITOR

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The Corrective Action Plan for this Finding was submitted by the previous Auditor, R. Monty Snelling, whose term as Auditor ended on December 31, 2018. Mr. Snelling had already begun the implementation of the Corrective Action Plan before his term ended. Danny Yost, who began his term as the new Auditor on January 1, 2019, has continued to implement the previously submitted Corrective Action Plan, including the utilization of a different Payroll Deputy Employee and additional oversight, verification and segregation of duties, as more fully set forth in the said Corrective Action Plan. In July 2019, additional measures of dual control were put in place. As of December 2021, the County Auditor's additional oversight, verification and segregation of duties are on-going and the Auditor is continuing to refine these controls. To the best of the knowledge and belief of the Clark County Auditor, the Corrective Action Plan is working sufficiently to ensure compliance with all rules and regulations subject to the on-going corrections and the refinement of the controls.



SUSAN POPP

Clerk of the Clark County Circuit Courts

Clark County Government Building
501 E. Court Avenue, Room 137
Jeffersonville, IN 47130

812.285.6244 TEL
812.285.6372 FAX
www.co.clark.in.us

FINDING 2018-004

Fiscal year in which the finding initially occurred: 2016

Contact Person Responsible for Corrective Action: Susan Popp, Clark County Clerk

Status of Audit Finding:

The Odyssey system creates a system of checks and balances. The disbursement transaction is noted in the system and it corresponds to the deposit or receipt. This is monitored on a daily basis. There are designated Deputy Clerks that are responsible for reconciling daily collections with receipts and preparing the bank deposit. There are two sets of initials on the daily transaction reports. This provides documentation for internal control. In other words, there are two people that “sign off” on the daily cash balance reports. If the daily reconciliation is “off”, then the individual employee (clerk employees that take payments) that made the error corrects their daily till. If there is a difference that requires an adjustment, the Chief Deputy Clerk, will make the adjustment in Odyssey. Any changes or adjustments are noted on the daily cash balance report. Furthermore, there is a report that is reviewed by the County Clerk (Susan Popp) to oversee the adjustments made. In other words, if an adjustment is made, there are several people involved in the transaction. Adjustments do not occur without oversight. The monthly reconciliation has the signature of the Deputy Clerk who completed the reconciliation along with the County Clerk’s signature indicating the reconciliation was reviewed. These forms are on file in the Clerk’s office. Documentation to verify this oversight is in place.

For EFT payments to the state (semi-annually) for the court cost remittance to the state are compared with the amount shown on the bank statement for the EFT withdrawal. The Deputy Clerk prepared the paperwork for EFT payment. The County Clerk verifies the correct amount is being disbursed. The Clerk goes to the bank and verifies the correct amount is being disbursed. The Clerk then provided the Deputy Clerk with the bank transaction. This documentation provided secure oversight.

The Odyssey system creates a system of checks and balances. The disbursement transaction is noted in the system and it corresponds to the deposit or receipt. This is monitored on a daily basis.

Checks related to judgments /restitutions are compared to the amount of the receipts to verify check amounts issued correspond with disbursements made. Multiple individuals are involved in this process. The report is examined to verify receipts vs disbursements have the correct amounts. For bond checks issued, the court orders are reviewed and compared with the checks issued.

/s/ Susan Popp January 4, 2022

Clark County Clerk

Jamey Noel
Sheriff

Clark County
Sheriff's Office
(612) 283-4471

501 East Court Avenue, Ste. 150
Jeffersonville, Indiana 47130

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-005 AND FINDING 2018-006

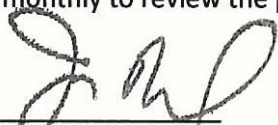
Fiscal year in which the finding initially occurred: 2019

The following procedural controls were to be implemented as stated in the Corrective Action Plan for BOTH findings:

- Our Grant Administrator will receive all fund number ledgers from the Auditor's Office prior to submitting financial reports.
- Our Grant Administrator will receive all invoices for review so that the invoices are paid from the correct fund and fund balances are not over encumbered.
- The Grant Administrator and Bookkeeper will meet for concurrent meetings to compare the Auditor's Office grant ledgers and the Grant Administrator's financial reports for accuracy prior to submission to the federal agency. Only after review of these ledgers to ensure the expenses have been paid, will reimbursement from the federal agency be requested. Both the Grant Administrator and Bookkeeper will then sign the ledgers.
- A monthly meeting will occur to review the preceding months grant activity to ensure reporting accuracy and that all stakeholders are aware of the expenditures.

Status of audit finding:

- On July 1st, 2019 the Corrective Action Plan was implemented for both findings (2018-005 and **2018-006**).
- All fund number ledgers are now received by the Grant Administrator prior to submitting financials reports.
- The Grant Administrator receives all invoices for review so that the invoices are paid from the correct fund. This has resulted in the fund balances not being over encumbered.
- The Grant Administrator and Bookkeeper currently meet to review the Auditor's grant ledgers compared to that of the Grant Administrator's financial reports for accuracy. Once it has been verified that all expenses have been paid, the reimbursement is then requested from the federal agency. At that time, the Grant Administrator and Bookkeeper sign the ledgers.
- The Grant Administrator and Bookkeeper are meeting **monthly** to review the prior months grant activity to ensure reporting accuracy.



Jamey J. Noel, Sheriff

OFFICE OF THE PROSECUTING ATTORNEY

JEREMY T. MULL

Clark County Prosecuting Attorney
501 East Court Avenue
215 City-County Building
Jeffersonville, IN 47130

Criminal Division
(812) 285-6264 / FAX (812) 285-6259

Child Support Division
(812) 285-6261 / FAX (812) 285-6259

4th Judicial Circuit
State of Indiana

April 6, 2022

FINDING 2018-007

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

The Corrective Action Plan for this Finding was submitted by Carmen Croudep, Project Director for Victim Services in the Clark County Prosecuting Attorney's Office. Internal controls for the segregation of duties have been implemented as it relates to all grant performance and fiscal reporting compliance requirements. As of July 8, 2019, the corrective action plan has been fully implemented and continues to work sufficiently to ensure compliance with all rules and regulations.



DANNY F. YOST

CLARK COUNTY AUDITOR

501 E. Court Avenue, Room 118

Jeffersonville, IN 47130-4090

(812) 285-6211

Fax (812) 285-6216

CORRECTIVE ACTION PLAN

FINDING 2019-001

Contact Person Responsible for Corrective Action: Danny Yost

Contact Phone Number: 812-285-6221

Views of Responsible Official:

We concur with this finding.

Description of Corrective Action Plan:

The Auditor's Office will implement a system of dual control to prevent, detect, and correct errors made during entry into Gateway. We will assign a second employee to verify all data and information gathered and entered into Gateway before submission. The second employee will have the responsibility of verifying and comparing the information, as well as addressing any errors found. The Auditor's Office will maintain a level of segregation throughout the process of uploading and entering information into Gateway.

Anticipated Completion Date: March 2022



Clark County Health Department

Dr. Eric B. Yazel, Health Officer

1201 Wall Street | Jeffersonville, IN 47130 | (812)282-7521
www.clarkhealth.net

CORRECTIVE ACTION PLAN

FINDING 2019-002

Contact Person Responsible for Corrective Action: Douglas J Bentfield
Contact Phone Number: 812-282-7521

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

Based on the 2019 audit feedback from the State Board of Accounts, the Administrator and bookkeeper have developed many new internal control procedures to ensure proper oversight of grant activities. A consultant was hired to assist with these new procedures that are currently in place. Grant spreadsheets have been developed to allow reconciliations of subsidiary grant ledgers to the County ledgers. These reconciliations are performed monthly and discrepancies are investigated and corrected. In addition, all monthly grant reimbursement requests are reviewed and approved by the Administrator prior to being submitted. This process is documented with a sign-off sheet attached to each reimbursement request.

Anticipated Completion Date: March 31, 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/>.