

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

POSEY COUNTY, INDIANA

January 1, 2021 to December 31, 2021



**FILED**  
07/13/2022



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### SCHEDULE OF OFFICIALS

| <u>Office</u>                                     | <u>Official</u>       | <u>Term</u>          |
|---------------------------------------------------|-----------------------|----------------------|
| County Auditor                                    | Maegan L. Greenwell   | 01-01-21 to 12-31-22 |
| County Treasurer                                  | Vicki J. Peerman      | 01-01-21 to 12-31-22 |
| Clerk of the Circuit Court                        | Kay Kilgore           | 01-01-21 to 12-31-22 |
| County Sheriff                                    | Thomas E. Latham, Jr. | 01-01-21 to 12-31-22 |
| County Recorder                                   | Mary Rhoades          | 01-01-21 to 12-31-22 |
| President of the Board of<br>County Commissioners | Bill Collins          | 01-01-21 to 12-31-22 |
| President of the<br>County Council                | Heather Allyn         | 01-01-21 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 POSEY 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 Posey County (County), for the year ended December 31, 2021, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated June 30, 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.

***Report On 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) as a basis for designing 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 items 2021-001, 2021-002, and 2021-003, that we consider to be material weaknesses.

***Report On 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 2021-001.

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)

***Posey County's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. 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

June 30, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 POSEY COUNTY, INDIANA

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

***Adverse Opinion***

We have audited Posey 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 its major federal program for the year ended December 31, 2021. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Adverse Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion* section of our report, the County did not comply in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds program for the year ended December 31, 2021.

**Basis for Adverse Opinion**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

***Matters Giving Rise to Adverse Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds***

As described in the accompanying Schedule of Findings and Questioned Costs, the County did not comply with requirements regarding 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in finding number 2021-004, for Activities Allowed or Unallowed, and Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2021-005. Our opinion on the major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The County's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2021-004 and 2021-005, to be material weaknesses.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* require the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the other 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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, 2021, and the related notes to the financial statement. We issued our report thereon dated June 30, 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 performed 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

June 30, 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.

POSEY COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2021

| Federal Grantor Agency<br>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 |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------|---------------------------------------------------|--------------------------------|-------------------------------|
| <u>Department of Housing and Urban Development</u>                                                                             |                                               |                            |                                                   |                                |                               |
| COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Small Business Loan Program | Indiana Office of Community and Rural Affairs | 14.228                     | CV-CV2-360                                        | \$ -                           | \$ 250,000                    |
| Total - Department of Housing and Urban Development                                                                            |                                               |                            |                                                   | -                              | 250,000                       |
| <u>Department of Justice</u>                                                                                                   |                                               |                            |                                                   |                                |                               |
| COVID-19 - Coronavirus Emergency Supplemental Funding Program                                                                  | Indiana Criminal Justice Institute            | 16.034                     | 2020-VD-BX-0244                                   | -                              | 28,440                        |
| Total - Department of Justice                                                                                                  |                                               |                            |                                                   | -                              | 28,440                        |
| <u>Department of Transportation</u>                                                                                            |                                               |                            |                                                   |                                |                               |
| Highway Planning and Construction Cluster<br>Highway Planning and Construction Bridge Study                                    | Indiana Department of Transportation          | 20.205                     | DES #1593001                                      | -                              | 58,250                        |
| Total - Highway Planning and Construction Cluster                                                                              |                                               |                            |                                                   | -                              | 58,250                        |
| Highway Safety Cluster<br>State and Community Highway Safety Operation Pullover                                                | Indiana Criminal Justice Institute            | 20.600                     | CHIRP-2021-00071-FR4                              | -                              | 465                           |
| Total - Highway Safety Cluster                                                                                                 |                                               |                            |                                                   | -                              | 465                           |
| Total - Department of Transportation                                                                                           |                                               |                            |                                                   | -                              | 58,715                        |
| <u>Department of the Treasury</u>                                                                                              |                                               |                            |                                                   |                                |                               |
| COVID-19 - Coronavirus Relief Fund Covid Testing Site Grant                                                                    | Indiana State Department of Health            | 21.019                     | FY 2021                                           | -                              | 100,000                       |
| COVID-19 - Coronavirus Relief Fund CARES Act Grant                                                                             | Indiana Finance Authority                     | 21.019                     | FY 2021                                           | -                              | 62,784                        |
| Total - COVID-19 - Coronavirus Relief Fund                                                                                     |                                               |                            |                                                   | -                              | 162,784                       |
| COVID-19 - Coronavirus State and Local Fiscal Recovery Funds American Rescue Plan                                              | DIRECT                                        | 21.027                     | FY 2021                                           | 1,000,000                      | 1,739,636                     |
| Total - Department of Treasury                                                                                                 |                                               |                            |                                                   | 1,000,000                      | 1,902,420                     |

POSEY COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2021

| Federal Grantor Agency<br>Cluster Title/Program Title/Project Title                                                | Pass-Through Entity or Direct Grant     | Assistance<br>Listings<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Passed Through<br>to Subrecipient | Total<br>Federal Awards<br>Expended |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|------------------------------------------------------------|-----------------------------------|-------------------------------------|
| <u>Department of Health and Human Services</u>                                                                     |                                         |                                  |                                                            |                                   |                                     |
| Public Health Emergency Preparedness<br>PHEP Grant                                                                 | Indiana State Department of Health      | 93.069                           | 20005305-PC2-2021                                          | -                                 | 10,176                              |
| COVID-19 - Immunization Cooperative Agreements                                                                     | Indiana State Department of Health      | 93.268                           | FY 2021                                                    | -                                 | 28,787                              |
| COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)<br>COVID Testing Site Grant          | Indiana State Department of Health      | 93.323                           | FY 2021                                                    | -                                 | 26,808                              |
| Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution<br>Provider Relief Fund                     | DIRECT                                  | 93.498                           | FY 2020                                                    | -                                 | 17,605                              |
| Child Support Enforcement                                                                                          | Indiana Department of Child Services    | 93.563                           |                                                            |                                   |                                     |
| Clerk Expenditures                                                                                                 |                                         |                                  | FY 2021                                                    | -                                 | 45,223                              |
| Prosecutor Expenditures                                                                                            |                                         |                                  | FY 2021                                                    | -                                 | 105,494                             |
| Indirect Costs                                                                                                     |                                         |                                  | FY 2021                                                    | -                                 | 48,046                              |
| Prosecutor Incentives                                                                                              |                                         |                                  | FY 2021                                                    | -                                 | 1,786                               |
| Clerk Incentives                                                                                                   |                                         |                                  | FY 2021                                                    | -                                 | 8,029                               |
| Total - Child Support Enforcement                                                                                  |                                         |                                  |                                                            | -                                 | 208,578                             |
| Opioid STR<br>Indiana State Opioid Grant                                                                           | Indiana Supreme Court Administration    | 93.788                           | 20-5JC89-C65-011                                           | -                                 | 54,348                              |
| Total - Department of Health and Human Services                                                                    |                                         |                                  |                                                            | -                                 | 346,302                             |
| <u>Department of Homeland Security</u>                                                                             |                                         |                                  |                                                            |                                   |                                     |
| COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)<br>Covid Providers Relief Grant | Indiana Department of Homeland Security | 97.036                           | DR 4515                                                    | -                                 | 24,949                              |
| Emergency Management Performance Grants<br>EMA Salary Reimbursement                                                | Indiana Department of Homeland Security | 97.042                           | FR-2020-EMPGS-00597                                        | -                                 | 30,000                              |
| Total - Department of Homeland Security                                                                            |                                         |                                  |                                                            | -                                 | 54,949                              |
| <b>Total federal awards expended</b>                                                                               |                                         |                                  |                                                            | <b>\$ 1,000,000</b>               | <b>\$ 2,640,826</b>                 |

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

POSEY 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, 2021. 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.

POSEY 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?                 | none reported                                         |
| Noncompliance material to financial statement 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 Program and type of auditor's report issued on compliance for it:

| <u>Assistance Listings Number</u> | <u>Name of Federal Program or Cluster</u>                    | <u>Opinion Issued</u> |
|-----------------------------------|--------------------------------------------------------------|-----------------------|
| 21.027                            | COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | Adverse               |

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2021-001**

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 2020-001.

*Condition and Context*

The County had not established 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.

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The SEFA presented for audit included the following errors:

1. The COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii program was omitted, which understated expenditures by \$250,000.
2. The COVID-19 - Coronavirus Emergency Supplemental Funding Program was omitted, which understated expenditures by \$28,440.
3. The Highway Planning and Construction program was omitted, which understated expenditures by \$58,250.
4. The COVID-19 - Immunization Cooperative Agreements program was omitted, which understated expenditures by \$28,787.
5. The Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution program was omitted, which understated expenditures by \$17,605.
6. The Child Support Enforcement program was omitted, which understated expenditures by \$208,578.
7. The Emergency Management Performance Grants program was omitted, which understated expenditures by \$30,000.
8. Four State grants or other Non-Federal programs were included, which overstated expenditures by \$789,465.
9. Five additional grants had individually immaterial errors that resulted in a combined misstatement of \$77,440.
10. Additional errors included eight incorrect program names, five omitted Assistance Listings Numbers, three incorrect or omitted pass-through entity names, and four incorrect pass-through ID 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. . . .

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

2 CFR 200.1 states in part:

". . . *Internal controls* for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:
  - (i) Effectiveness and efficiency of operations;
  - (ii) Reliability of reporting for internal and external use; . . ."

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. . . ."

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.

POSEY 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*

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 2021-002**

Subject: Financial Transactions and Reporting - Clerk of the Circuit Court  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-003.

*Condition and Context*

There were deficiencies in the internal control system of the Clerk of the Circuit Court (Clerk) related to financial transactions and reporting. The Clerk had not established an effective internal control system that separated incompatible activities related to cash and investments, receipts, and disbursements.

*Cash and Investments*

The Clerk prepared monthly bank reconciliations. There were no documented internal controls in place to prevent, or detect and correct, errors in cash and investments, such as oversight, review, or approval process of the bank reconciliations.

*Receipts*

The Chief Deputy Clerk prepared the daily deposit of the Circuit and Superior Courts and delivered the deposits to the bank. There was no documented oversight, review, or approval process over the receipting, depositing, and posting of receipts.

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Disbursements*

All deputy clerks had the ability to prepare checks. There were no documented controls in place to prevent, or detect and correct, errors in disbursements, such as an oversight, review, or approval process of the disbursements.

*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. . . .

Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The results of the monitoring process are evaluated and documented . . .

Management remediates identified issues. . . ."

*Cause*

Management had not established a system of internal control related to financial transactions and reporting. Additionally, management had not conducted risk assessment procedures related to the Clerk's financial transactions and reporting.

*Effect*

The failure to establish a system of internal control could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner.

*Views of Responsible Official*

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

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2021-003**

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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-004.

*Condition and Context*

There were deficiencies in the internal control system of the County Sheriff (Sheriff) related to financial transactions and reporting of the Inmate Commissary fund and the Inmate Trust fund. The Sheriff had not established an effective internal control system that separated incompatible activities related to disbursements.

The Sheriff, Matron, Administrative Assistant, and all jailers had the ability to prepare checks from the Inmate Trust fund with an autogenerated signature. There were no documented controls in place to prevent, or detect and correct, errors in disbursements, such as an oversight, review, or approval process of the disbursements.

The Matron had the ability to prepare and sign checks from the Inmate Commissary fund. There were no documented controls in place to prevent, or detect and correct, errors in disbursements, such as an oversight, review, or approval process of the disbursements.

*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. . . .

Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators . . .

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The results of the monitoring process are evaluated and documented . . .

Management remediates identified issues . . ."

*Cause*

Management had not established a system of internal control related to financial transactions and reporting. Additionally, management had not conducted risk assessment procedures related to the County Sheriff's financial transactions and reporting.

*Effect*

The failure to establish a system of internal control could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the County at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner.

*Views of Responsible Official*

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 2021-004**

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds -  
Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Federal Agency: Department of the Treasury  
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds  
Assistance Listings Number: 21.027  
Federal Award Number and Year (or Other Identifying Number): FY 2021  
Pass-Through Entity: Direct Grant  
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

An effective internal control system was not in place at the County to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, and the Allowable Costs/Cost Principles compliance requirements.

The County made a payment of \$1,000,000 directly to a financial institution to satisfy the local match of a State Revolving Fund loan held by Posey County Regional Sewer District (Sewer District). There was no supporting documentation available for the disbursement; therefore, we were unable to verify whether the funds were used to respond to the public health emergency and its negative economic impacts. The County intended for the Sewer District to be a subrecipient; however, there was no documentation of an agreement between the County and the Sewer District. This disbursement represented 57 percent of program expenditures during the audit period. The entire amount paid was determined to be a questioned cost.

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

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

31 CFR 35.6(b) states in part:

". . . (1) *Identifying eligible responses to the public health emergency or its negative impacts.*

(i) A program, service, or capital expenditure is eligible under this paragraph (b)(1) if a recipient identifies a harm or impact to a beneficiary or class of beneficiaries caused or exacerbated by the public health emergency or its negative impacts and the program, service, or capital expenditure responds to such harm.

(ii) A program, service, or capital expenditure responds to a harm or impact experienced by an identified beneficiary or class of beneficiaries if it reasonably designed to benefit the beneficiary or class of beneficiaries that experienced the harm or impact and is related and reasonably proportional to the extent and type of harm or impact experienced. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

*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 and provide supporting documentation enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Activities Allowed or Unallowed, and the Allowable Costs/Cost Principles compliance requirements could have resulted in the loss of federal funds to the County.

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

Questioned costs identified are \$1,000,000.

*Recommendation*

We recommended that the County's management establish a system of internal control related to the grant agreement and the Activities Allowed or Unallowed, and the Allowable Costs/Cost Principles compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2021-005**

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery  
Funds - Procurement and Suspension and Debarment  
Federal Agency: Department of the Treasury  
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds  
Assistance Listings Number: 21.027  
Federal Award Number and Year (or Other Identifying Number): FY 2021  
Pass-Through Entity: Direct Grant  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Condition and Context*

An effective internal control system was not in place at the County to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The County did not have procedures in place to verify entities were not suspended, debarred, or otherwise excluded from or ineligible for participation in federal assistance programs or activities. Additionally, while the County does have a written procurement policy, it was approved in 1998 and does not reflect the current requirements of 2 CFR 200.318(a).

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

POSEY COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.214 states:

"Non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities."

2 CFR 200.318(a) states:

"The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327."

*Cause*

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

*Effect*

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

*Questioned Costs*

No questioned costs were identified.

*Recommendation*

We recommended that the County's management establish a system of internal control related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the County. The documents are presented as intended by the County.



*Maegen L. Greenwell*  
126 E. 3<sup>rd</sup> Street Room 220  
Mount Vernon, IN 47620  
Phone: (812) 838-1300  
Fax: (812) 838-1344

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-001***

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding: This finding has been partially corrected. The process has started to gather needed info from departments impacted by grants to complete our spreadsheet. A policy has been put in place to withhold grant funds from departments until the needed information is provided.



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*Mount Vernon, IN 47620*

*Phone: (812) 838-1300*

*Fax: (812) 838-1344*

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2020-002***

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding: This finding has been corrected.

**CLERK OF THE POSEY COUNTY  
CIRCUIT/SUPERIOR COURTS  
300 MAIN STREET, ROOM 115  
MT. VERNON, IN 47620**

**Circuit Court  
812.838.1306  
Fax 812.838.1307**

**Superior Court  
812.838.8368  
Fax 812.838.8370**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2020-003***

Fiscal year in which the finding initially occurred: 2020

Status of Audit Finding: In progress

Due to the timing of the prior audit, the finding could not be fixed during the year 2021. Corrective action has been made in April 2022.

Respectfully,

Kay Kilgore  
Clerk of the Circuit/Superior Courts



# *Posey County*

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# *Sheriff's Office*

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Thomas E. Latham, Jr.  
Sheriff

Office (812) 838-1321  
Fax (812) 838-1322

Jeremy R. Fortune  
Chief Deputy

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### ***FINDING 2020-004***

Fiscal year in which the finding initially occurred: **2020**

Status of Audit Finding: In progress – Due to the timing of the prior audit, the issues could not be resolved during the audit period. Corrective active was taken following the exit on February 24<sup>th</sup>, 2022.

**As of this date we have addressed and began the corrective action plan. This means everyone who generates the issuance of checks will be reviewed by a separate person who initials the step was completed.**

A handwritten signature in black ink, appearing to read "T. Latham, Jr.", written in a cursive style.

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**Sheriff Thomas Edward Latham, Jr.**

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1201 O'Donnell Road • Mt. Vernon, IN 47620



*Maegen L. Greenwell*  
126 E. 3<sup>rd</sup> Street Room 220  
Mount Vernon, IN 47620  
Phone: (812) 838-1300  
Fax: (812) 838-1344

## CORRECTIVE ACTION PLAN

### ***FINDING 2021-001***

Contact Person Responsible for Corrective Action: Maegen L. Greenwell  
Contact Phone Number: 812-838-1300

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

Moving forward Posey County will continue to complete the established spreadsheet to track all grants awarded.

Along with this information we will also include federal grantor agency names, pass-through entity names, pass through entity identifying numbers, as well as assistance listing numbers.

Posey County is working to obtain all needed information from impacted departments by holding the grant funds until necessary information is provided.

After the information is entered into Gateway it will be compared back to the spreadsheet by a second person.

Anticipated Completion Date: 12/31/2022

Maegen L Greenwell  
Posey County Auditor

**CLERK OF THE POSEY COUNTY  
CIRCUIT/SUPERIOR COURTS  
300 MAIN STREET, ROOM 115  
MT. VERNON, IN 47620**

**Circuit Court  
812.838.1306  
Fax 812.838.1307**

**Superior Court  
812.838.8368  
Fax 812.838.8370**

**CORRECTIVE ACTION PLAN**

**Finding 2021-002**

Contact Person Responsible for Corrective Action: KAY KILGORE, CLERK

Contact Phone Number: (812) 838-1306

Contact Email: [kay.kilgore@poseycountyin.gov](mailto:kay.kilgore@poseycountyin.gov)

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

An Internal Controls Policy will be written and put in place for the Clerk of the Circuit Courts financial transactions. Controls that will be enacted and practiced immediately are:

*Cash and Investments*

The Chief Deputy/Bookkeeper and the Child Support Deputy will prepare, balance and approve each other's bank reconcilements.

*Receipts*

Each deputy clerk will receive their own cash drawer fund. A daily reconciliation report will be ran and verified by the deputy clerk who has that drawer. Another person will also review and sign off on the report to ensure the daily receipts and cash drawer balance at the end of the day.

*Disbursements*

All check disbursements; whether Child Support payments or Trust or bond checks are the result of a report generated from either ISET's (Child Support) or Odyssey. Whomever prints the checks from either system will provide the checks and report to another deputy for their verification and initials on the report that only the checks indicated were printed.

Anticipated Completion Date: Many of the controls had already begun, but the proposed internal controls in their entirety were put in place immediately. The Internal Controls Policy in written form was completed May, 2022, reviewed with staff and submitted to SBOA.

Respectively,

Kay Kilgore  
Clerk of the Circuit/Superior Courts



# *Posey County*

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# *Sheriff's Office*

---

Thomas E. Latham, Jr.  
Sheriff

Office (812) 838-1321  
Fax (812) 838-1322

Jeremy R. Fortune  
Chief Deputy

## CORRECTIVE ACTION PLAN

### ***FINDING 2021-003***

***Contact Person Responsible for Corrective Action: Sheriff Tom Latham***

***Contact Phone Number: (812)-838-1321 ext. 1403***

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

**As of this date we have addressed and began the corrective action plan. This means everyone who generates the issuance of checks will be reviewed by a separate person who initials the step was completed.**

**Anticipated Completion Date: March 1, 2022**

A handwritten signature in black ink, appearing to be "T. Latham, Jr.", written in a cursive style.

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**Sheriff Thomas Edward Latham, Jr.**

---

1201 O'Donnell Road • Mt. Vernon, IN 47620



*Maegen L. Greenwell*  
126 E. 3<sup>rd</sup> Street Room 220  
Mount Vernon, IN 47620  
Phone: (812) 838-1300  
Fax: (812) 838-1344

## CORRECTIVE ACTION PLAN

### ***FINDING 2021-004***

Contact Person Responsible for Corrective Action: Maegen L. Greenwell  
Contact Phone Number: 812-838-1300

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

Moving forward Posey County will require supporting documentation and the County Attorney to draw up a legal agreement between both parties to clearly identify all subawards, subrecipients, and/ or pass-through entity.

The legal agreement will also require;

- (1) Federal award identification...
- (2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.
- (3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the passthrough entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports; ...
- (4) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the passthrough entity to meet the requirements of this part; and
- (5) Appropriate terms and conditions concerning closeout of the subaward.

Anticipated Completion Date: 12/31/2022

Maegen L Greenwell  
Posey County Auditor



*Maegen L. Greenwell*  
126 E. 3<sup>rd</sup> Street Room 220  
Mount Vernon, IN 47620  
Phone: (812) 838-1300  
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## CORRECTIVE ACTION PLAN

### ***FINDING 2021-005***

Contact Person Responsible for Corrective Action: Maegen L. Greenwell  
Contact Phone Number: 812-838-1300

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

Moving forward all contracts signed with Posey County will have a clause stating the contractor is not suspended, debarred, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

Anticipated Completion Date: 12/31/2022

Maegen L Greenwell  
Posey County Auditor

## 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/>.