

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

RANDOLPH COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED

12/12/2022

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|--------------------|----------------------|
| County Auditor | Laura Martin | 01-01-21 to 12-31-22 |
| County Treasurer | Debbie Preston | 01-01-21 to 12-31-22 |
| Clerk of the Circuit Court | Melinda Peed | 01-01-21 to 12-31-22 |
| County Sheriff | Art Moystner, Jr. | 01-01-21 to 12-31-22 |
| County Recorder | Jane Grove | 01-01-21 to 12-31-22 |
| President of the Board of County Commissioners | Michael Wickersham | 01-01-21 to 12-31-22 |
| President of the County Council | Gary Friend | 01-01-21 to 12-31-22 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of Randolph County (County), for the period from January 1, 2021 to December 31, 2021. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. This report may be found at www.in.gov/sboa/.

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

November 22, 2022

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COUNTY AUDITOR
RANDOLPH COUNTY

COUNTY AUDITOR
RANDOLPH COUNTY
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

The County's grant schedule in the Annual Financial Report for 2021, which was the source of the Schedule of Expenditures of Federal Awards (SEFA), contained the following errors:

1. The COVID-19 - Coronavirus Relief Fund expenditures were overstated by \$146,100.
2. Several additional grants had individually immaterial errors or omissions that resulted in a combined material misstatement of \$58,903.
3. Not all program names, grants, or identifying numbers were correct or were reported.

Audit adjustments were proposed, accepted by the County, and made to the SEFA.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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. . . ."

COUNTY AUDITOR
RANDOLPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 22, 2022, with Laura Martin, County Auditor; Michael Wickersham, President of the Board of County Commissioners; and Gary Friend, President of the County Council.