

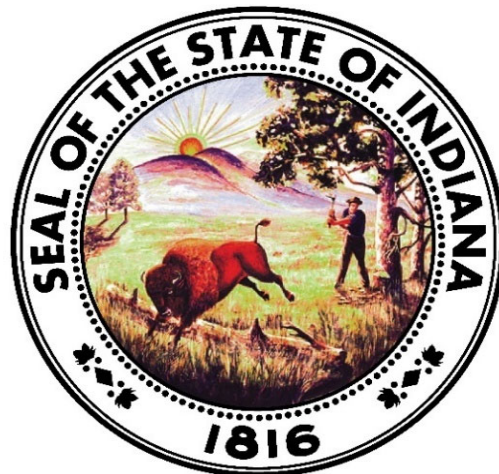
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

SUPPLEMENTAL COMPLIANCE REPORT

OF

CASS COUNTY, INDIANA

January 1, 2022 to December 31, 2022



**FILED**

06/09/2023



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Cheryl Alcorn	01-01-22 to 12-31-23
County Treasurer	Cindy Howard Daphne Slusher	01-01-22 to 08-31-22 09-01-22 to 12-31-23
Clerk of the Circuit Court	Destry Richey	01-01-22 to 12-31-23
County Sheriff	Edward Schroder	01-01-22 to 12-31-23
County Recorder	Beth Liming	01-01-22 to 12-31-23
President of the Board of County Commissioners	Ryan Browning Ruth Baker	01-01-22 to 12-31-22 01-01-23 to 12-31-23
President of the County Council	Brian Reed Tracy Williamson	01-01-22 to 12-31-22 01-01-23 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF CASS COUNTY, INDIANA

This report is supplemental to our audit report of Cass County (County), for the period from January 1, 2022 to December 31, 2022. 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/](http://www.in.gov/sboa/).

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

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

Beth Kelley, CPA, CFE  
Deputy State Examiner

May 23, 2023

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COUNTY AUDITOR  
CASS COUNTY

COUNTY AUDITOR  
CASS COUNTY  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

Financial, supplemental, and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The County had not established effective internal controls over the AFR information entered into Gateway which resulted in the following errors:

*Financial Data*

1. The beginning cash and investment balance for the American Rescue Plan Covid Grt fund did not include the funds held in an investment, which understated beginning and ending cash and investments by \$3,250,000.
2. The County Redevelop Commission fund did not include the activity related to TIF Bond - Waelz Project, which understated receipts and disbursements by \$17,000,000.

Adjustments were proposed, accepted by the County, and made to the financial statement presented in the Financial Statement Audit Report and to the combining schedule presented as Required Supplementary Information.

*Grants*

1. The Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs grant incorrectly included state expenditures, which overstated expenditures by \$258,018. In addition, the passed through to subrecipient amount was understated by \$45,504.
2. The Formula Grants for Rural Areas and Tribal Transit Program passed through to subrecipient amount was understated by \$1,211,454.
3. Additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$69,427, in total.

COUNTY AUDITOR  
CASS COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

Adjustments were proposed, accepted by the County, and made to the Schedule of Expenditures of Federal Awards.

*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 the/se 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. . . ."

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](#)."

COUNTY AUDITOR  
CASS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 23, 2023, with Cheryl Alcorn, County Auditor; David Redweik, Vice President of the County Council; Ruth Baker, President of the Board of County Commissioners; Michael W. Stajduhar, Vice President of the Board of County Commissioners; Mike Deitrich, County Commissioner; and Jeffrey O. Stanton, County Attorney.

CLERK OF THE CIRCUIT COURT  
CASS COUNTY

CLERK OF THE CIRCUIT COURT  
CASS COUNTY  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS**

*Condition and Context*

There were deficiencies in the internal control system of the Clerk of the Circuit Court's (Clerk) office related to financial transactions and reporting. The Clerk had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would likely be effective in preventing, or detecting and correcting, errors related to cash and investments.

The Bookkeeping Deputy Clerk prepared the monthly reconciliation without a review, oversight, or approval process to ensure that the reconciliation was accurate.

*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:

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CLERK OF THE CIRCUIT COURT  
CASS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 10, 2023, with Destry Richey, Clerk of the Circuit Court, and on May 23, 2023, with Cheryl Alcorn, County Auditor; David Redweik, Vice President of the County Council; Ruth Baker, President of the Board of County Commissioners; Michael W. Stajduhar, Vice President of the Board of County Commissioners; Mike Deitrich, County Commissioner; and Jeffrey O. Stanton, County Attorney.