

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

GRANT COUNTY, INDIANA

January 1, 2022 to December 31, 2022



**FILED**

06/20/2023



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
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 <i>Government Auditing Standards</i> .....	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	5-7
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-18
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	20-23
Corrective Action Plan .....	24-26
Other Reports.....	27

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	James E. McWhirt Angela Jarvis	01-01-22 to 12-31-22 01-01-23 to 12-31-23
County Treasurer	Tiffany N. Griffith	01-01-22 to 12-31-23
Clerk of the Circuit Court	Pamela K. Harris	01-01-22 to 12-31-23
County Sheriff	Reggial E. Nevels, Sr. Delmiro Garcia	01-01-22 to 12-31-22 01-01-23 to 12-31-23
County Recorder	Kathy Foy	01-01-22 to 12-31-23
President of the Board of County Commissioners	Mark Bardsley	01-01-22 to 12-31-23
President of the County Council	Shane Middlesworth	01-01-22 to 12-31-23



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 GRANT 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 Grant County (County), for the year ended December 31, 2022, and the related notes to the financial statement, which collectively comprise the County's financial statement and have issued our report thereon dated June 5, 2023, 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, as described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001, 2022-002, and 2022-003, 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 FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***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 items 2022-001 and 2022-003.

***Grant 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 5, 2023



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

TO: THE OFFICIALS OF GRANT COUNTY, INDIANA

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

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

We have audited Grant 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, 2022. 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.

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, 2022.

**Basis for Opinion on Each Major Federal Program**

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.

***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.

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

***Auditor's Responsibilities 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. Noncompliance 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.

**Report on 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.

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

**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, 2022, and the related notes to the financial statement. We issued our report thereon dated June 5, 2023, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, 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 5, 2023

(This page intentionally left blank.)

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.

GRANT COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<b>Department of Justice</b>					
Coronavirus Emergency Supplemental Funding Program CESF FY 2020	Indiana Criminal Justice Institute	16.034	2020VD-BX-0244	\$ -	\$ 1,344
Crime Victim Assistance Victims Assistance Victims Advocate	Indiana Criminal Justice Institute	16.575	VOCA-2020-00072 VOCA-2020-00189	-	51,293 22,118
Total - Crime Victim Assistance				-	73,411
Treatment Court Discretionary Grant Program FRC Enhancement Adult Drug Court Enhancement	Direct Grant	16.585	2019-DC-BX-0108 2020-DC-BX-0143	-	144,110 100,006
Total - Treatment Court Discretionary Grant Program				-	244,116
Violence Against Women Formula Grants Spotlight (Stop)	Indiana Criminal Justice Institute	16.588	Stop 2021-00005	-	34,974
Total - Department of Justice				-	353,845
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster Highway Planning and Construction Highway Planning and Construction Highway Planning and Construction	Indiana Department of Transportation	20.205	Des #1802916 Des #1902079	-	163,695 154,801
Total - Highway Planning and Construction				-	318,496
Total - Highway Planning and Construction Cluster				-	318,496
Highway Safety Cluster State and Community Highway Safety Operation Pullover	Indiana Department of Transportation	20.600	CHIRP 2022-00063	8,666	11,738
National Priority Safety Programs SAVE	Indiana Criminal Justice Institute	20.616	SAVE-2022-00029	1,447	6,448
Total - Highway Safety Cluster				10,113	18,186
Minimum Penalties for Repeat Offenders for Driving While Intoxicated 20.608 DUI Task Force	Indiana Department of Transportation	20.608	CHIRP-2022-00063	-	72
Total - Department of Transportation				10,113	336,754

GRANT COUNTY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<b>Department of Health and Human Services</b>					
Public Health Emergency Preparedness	Indiana Department of Health	93.069			
Bioterrorism			20010525	-	30,949
Bioterrorism			20010525	-	10,230
Bioterrorism			2020-8669 21/22	-	16,657
Total - Public Health Emergency Preparedness				-	57,836
Immunization Cooperative Agreements	Indiana Department of Health	93.268			
COVID 19 Vaccination			NH23IP922631	-	73,516
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Indiana Department of Health	93.323			
COVID 19 Testing			NU50CK000503	-	47,976
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	Indiana Department of Health	93.354			
COVID 19 Testing			NU90TP922179	-	6,140
Child Support Enforcement	Indiana Department of Child Services	93.563			
Child Support Enforcement			FY 2022	-	485,034
Child Support Enforcement			FY 2022	-	88,110
Total - Child Support Enforcement				-	573,144
State Court Improvement Program	Indiana Supreme Court	93.586			
CIP			Grant-CIP-2021BT	-	41,542
Foster Care Title IV-E	Indiana Department of Child Services	93.658			
Foster Care-Title IV-E			20220037	-	7,786
Opioid STR	Indiana Supreme Court	93.788			
Opioid Response			22-5JC89-C27-004	-	54,378
Total - Department of Health and Human Services				-	862,318
<b>Department of Homeland Security</b>					
Emergency Management Performance Grants	Indiana Department of Homeland Security	97.042			
EMPG			EMC-2020-EP-00001	-	30,000
Total - Department of Homeland Security				-	30,000
Total federal awards expended				<u>\$ 10,113</u>	<u>\$ 1,582,917</u>

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

GRANT 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, 2022. 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.

GRANT 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?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
93.563	Highway Planning and Construction Cluster Child Support Enforcement	Unmodified Unmodified

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 2022-001**

Subject: Financial Transactions and Reporting - County Treasurer  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-002.

GRANT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

The County Treasurer's office 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. Deficiencies were noted in the internal control system of the County Treasurer's office related to bank account reconciliations. Due to the ineffective internal controls, the following issues were identified:

1. Depository reconciliations of the fund balances to the bank account balances were attempted, but were not considered complete for any month during the audit period as each month contained unidentified reconciling items.
2. Additional work performed by the Indiana State Board of Accounts indicated monthly unidentified reconciling items ranged from \$377,387 cash long to \$280,051 cash short. On December 31, 2022, the difference between the adjusted bank balance and the County Auditor's Fund Ledger was a cash short in the amount of \$151,451.

*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. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

GRANT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

*Cause*

Management of the County had not established a proper system of internal controls over bank reconciliations.

*Effect*

Without a proper system of internal controls, misstatements or irregularities occurred and remained undetected on the bank reconciliations as noted 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 2022-002**

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 2021-003.

*Condition and Context*

The Clerk of the Circuit Court (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. The Clerk had not separated incompatible activities related to depository reconciliations and the Supplemental Annual Financial Report.

1. Depository reconciliations of the fund balances to the bank account balances were completed, without a review or oversight process in place to prevent, or detect and correct, errors for any month during the audit period.
2. The Supplemental Annual Financial Report was completed without a review or oversight process in place to prevent, or detect and correct, errors to ensure the accuracy of the information.

In addition, the Clerk's office had no process to identify or communicate corrective actions to improve internal controls. Effective internal controls over financial reporting requires the Clerk's office to monitor and assess the quality of the system of internal controls.

GRANT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 controls is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. . . ."

*Cause*

Management of the Clerk's office had not established a proper system of internal controls. An evaluation of the Clerk's system of internal controls had not been conducted. Management had not conducted a risk assessment related to the Clerk's financial reporting and transactions.

*Effect*

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

*Views of Responsible Officials*

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

**FINDING 2022-003**

Subject: Financial Transactions and Reporting - County Sheriff  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2021-004.

GRANT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

The County Sheriff's office 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. The County Sheriff's office had not separated incompatible activities related to depository reconciliations and the Supplemental Annual Financial Report.

1. Depository reconciliations of the fund balances to the Sheriff Inmate Trust bank account balances were attempted, but were not considered complete and correct for December 31, 2022. The monthly reconciliations tested were reviewed by someone other than the preparer, but the internal control was not effective as errors were identified.
2. The Supplemental Annual Financial Report for Jail Commissary and Sherriff Inmate Trust were completed, without a review or oversight process in place to prevent, or detect and correct, errors to ensure the accuracy of the information.

In addition, the County Sheriff's office had no process to identify or communicate corrective actions to improve internal controls. Effective internal controls over financial reporting requires the County Sheriff's office to monitor and assess the quality of the system of internal controls.

*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 controls is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. . . ."

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](#)."

GRANT COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

*Cause*

Management of the County Sheriff's office had not established a proper system of internal controls. An evaluation of the County Sheriff's office system of internal controls had not been conducted. Management had not conducted a risk assessment related to the County Sheriff's office financial reporting and transactions.

*Effect*

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

*Views of Responsible Officials*

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

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

No matters are reportable.

#### AUDITEE-PREPARED DOCUMENTS

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

**Angie Jarvis**  
*Grant County Auditor*  
Grant County Complex  
401 S. Adams St., Room 222

Marion, IN 46953-2099

Phone: 765-668-6552

E-mail: [ajarvis@grantcounty.net](mailto:ajarvis@grantcounty.net)

FAX: 765-668-6582

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Fiscal year in which the finding initially occurred: 2012

#### Status of Audit Finding:

Our errors consisted of an omitted Covid-19 Coronavirus Relief Fund which resulted with understating expenditures, inconsistent instruction given by the SBOA that resulted in an understated expenditure for our Child Support Enforcement and some incorrect program names. The nature of some of the federal grants involved, the fact that many individuals and distinct departments are involved in the process, the fact that the duties of the employees responsible for the process entail so much more than just federal grant reporting, and the lack of knowledge and experience with some of the various grants, all contribute to the environment that is conducive to the occurrence of reporting errors.

The reporting errors that occurred are not the result of a lack of a proper system of internal control. Our system entails the work of multiple people from various offices that are involved with the various federal grants. The internal control process has not eliminated reporting errors from occurring. However, I do not think it is due to a lack of a proper system of internal controls. I believe it is more accurate to state that the reporting errors are the result of human error and sometimes inadequate communication between federal, state, and local officials.

The County Auditor reviews the various grants and grant transactions that have been entered into the Gateway site by the Chief Deputy Auditor. The County Auditor then submits the report information that has been entered and reviewed. Obviously, the internal control process has not eliminated reporting errors from occurring. However, I do not think it is due to a lack of a proper system of internal controls. I believe it is more accurate to state that the reporting errors are the result of human error and sometimes inadequate communication between federal, state, and local officials.

The Auditor's office will continue to work to improve the communication with the federal and state departments and with the employees in the various offices and departments in the Grant County government to eliminate posting and reporting errors pertaining to the federal grant programs. The staff will continue its efforts to eliminate human error so that future posting and reporting of federal grant programs will be perfect.

Angela Jarvis  
Grant County Auditor  
Grant County, Indiana  
Tuesday, April 25, 2023

**Tiffany N. Griffith**  
*Grant County Treasurer*  
Grant County Complex  
401 South Adams Street, Suite 229  
  
Marion, IN 46953

**Phone:** 765-668-6556

**E-mail:** [treasurer@grantcounty.net](mailto:treasurer@grantcounty.net)

**FAX:** 765-651-0692

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2021-002***

Fiscal year in which the finding initially occurred: 2011  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Tiffany Griffith  
Contact Phone Number: 765-668-6556

Status of Audit Finding:

Following the conclusion of the 2021 audit, the Treasurer's office has worked diligently to implement corrective actions, as well as, working to complete all financial reporting in a timely manner. All financial reports have been turned in on-time by the deadline given by the State since July 2019 reporting. The Treasurer's office is continually focused on having daily communication with the Auditor's office, verifying all information is received, balancing to the funds ledger and completion of the bank reconciliation will continue to aid in the efforts of preventing deficiencies. Bank reconcilements still have issues that are unresolved. Furthermore, all but one bank reconciliation is balanced completely. Corrective actions were immediately established in office after confirming with State Board of Accounts what could help in future to deter further shortages. These actions involve but are not limited to having segregated duties to all staff members, adhering to internal controls put in place to remove opportunity, provide cross-training in all areas to all team members, implementing a bi-annual performance evaluation for all staff members, mandated training each quarter for all staff members, completing a two-person review process for all financial reports and documentation, and verifying that all data entry is accurate. The Treasurer's office is also working with our financial software vendor, LOW, to start utilizing their cashbook. This will help to keep data input accurate for the treasurer's side while still allowing for verification to the auditor's side.

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(date)

# GRANT COUNTY CIRCUIT CLERK OF COURTS

*Pamela Kay Harris*

Grant County Court House

101 E. 4<sup>th</sup> St ~ Marion, IN 46952

P - 765-668-8121 ~ [pharris@grantcounty.net](mailto:pharris@grantcounty.net) ~ F - 765-668-6541

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### Finding 2021-003

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

This finding is partially corrected. My Head Bookkeeper runs the reports; the assistant bookkeeper reviews the reports. If the Head Bookkeeper makes the Deposit, the Assistant Bookkeeper will go over it and if it is correct, she will initial it, and vice versa.

I would like to add, that the Grant County Clerk staff takes great pride and care in the service we perform for our citizens. It is our intent to provide them with the information and resources they need to take care of the business that has brought them to the Grant County Clerk's office.

We do this as efficiently as possible with kindness & respect.

Respectfully submitted,

Pamela Kay Harris  
Grant County Clerk of Circuit & Superior Courts  
101 E. 4<sup>th</sup> St. ~ Marion IN 46952



# GRANT COUNTY SHERIFF'S OFFICE

214 East Fourth Street, Marion, IN 46952

**Del Garcia**

SHERIFF

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2021-004*** (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

Monitoring and Controls – Monthly financial documents (bank statements, reconciliation reports, outstanding checklist) are submitted, reviewed, and signed/dated by the Clerk of Sheriff's Sales. The Commissary transaction history ledger (pursuant to IC 36-8-10-21) is reviewed and signed by the Sheriff.

Depository reconciliations of the Inmate Trust bank account – The monthly CAR1 is printed and filed with the monthly financial documents. A list detailing individual year-end Inmate Trust balances will be uploaded annually to Gateway.

Controls over the Supplemental Annual Financial Report (SAFR) - the SAFR for the Sheriff's Commissary and Jail Inmate Trust accounts will be submitted to the Clerk of Sheriff's Sales for review and signature prior to the submittal to County Auditor.

Rogina Banks  
Matron  
Grant County Sheriff's Office

**Tiffany N. Griffith**  
*Grant County Treasurer*  
Grant County Complex  
401 South Adams Street, Suite 229

Marion, IN 46953

**Phone:** 765-668-6556

**E-mail:** [treasurer@grantcounty.net](mailto:treasurer@grantcounty.net)

**FAX:** 765-651-0692

## CORRECTIVE ACTION PLAN

### ***FINDING 2022-001***

Contact Person Responsible for Corrective Action: Tiffany Griffith (County Treasurer)  
Andrea Pritchett (Chief Deputy)

Contact Phone Number: 765-668-6556

Views of Responsible Official: We concur with the State Board of Accounts field examiners and their findings in the 2022 audit.

#### Description of Corrective Action Plan:

Following the conclusion of the 2022 audit, the Treasurer's office remains confident that proceeding with daily communication with Auditor's office, verifying all information is received, balancing to the funds ledger, and completion of the bank reconciliation will help deter future deficiencies. The financial software has aided in verifying that funds ledgers are balanced daily to the Treasurer's and Auditor's office. A designated individual in the Auditor's office will be utilized to help in identifying any differences between the offices that can be accounted for in the funds ledger and/or bank reconciliation. Also, working with State Board of Accounts, utilizing their knowledge and expertise to aid in resolving issues that may arise when working to correct bank reconciliation. The Treasurer's office is currently going back through 2022 information to look for any additional timing issues that could account for the difference.

The Treasurer's office continues to strive in improving transparency and communication with all staff and departments involved to eliminate posting and reporting errors pertaining to the bank reconciliation. Implementation of cross-training in all areas, segregation of duties for all staff members, bi-annual performance evaluations, mandating training each quarter for all staff, completing a two-person review process for all financial reports and documentation, and verifying that all data entry is accurate. These policies will help to improve transparency, efficiency, and timely reporting. The Treasurer's office will continue efforts to eliminate human error so that future posting and reporting will be as accurate as possible.

Anticipated Completion Date: This Corrective Action Plan does not have a completion date. This is an on-going effort that will not end until all previous and future items are addressed accordingly, resolved with efficiency, and continue to be reconciled in the correct manner without any further error.



# GRANT COUNTY SHERIFF'S OFFICE

214 East Fourth Street, Marion, IN 46952

**Del Garcia**

SHERIFF

## CORRECTIVE ACTION PLAN

### ***FINDING 2022-002***

Contact Person Responsible for Corrective Action: Rogina Banks (Matron)  
Contact Phone Number: 765.662.9836

View of Responsible Official: We concur with the 2022 audit findings

Description of Corrective Action Plan:

Monitoring and Controls – Monthly financial documents (bank statements, reconciliation reports, outstanding checklist) are submitted, reviewed, and signed/dated by the Clerk of Sheriff's Sales. The Commissary transaction history ledger (pursuant to IC 36-8-10-21) is reviewed and signed by the Sheriff.

Depository reconciliations of the Inmate Trust bank account – Will continue to seek a resolution to correct our internal controls for the reconciliations.

Controls over the Supplemental Annual Financial Report (SAFR) - the SAFR for the Sheriff's Commissary and Jail Inmate Trust accounts will be submitted to the Clerk of Sheriff's Sales for review and signature prior to the submittal to County Auditor.

Anticipated Completion Date: January 31, 2024

# Grant County Circuit Court Clerk

Pamela Kay Harris

101 E. 4<sup>th</sup> St. Marion IN 46952 ~ 765-668-8121

## CORRECTIVE ACTION PLAN

Monday, May 22, 2023

FINDING 2022-003

Contact Person Responsible for Corrective Action: Pamela K. Harris ~ Clerk

Contact Phone Number: 765-668-8121

Contact E-Mail: [pharris@grantcounty.net](mailto:pharris@grantcounty.net)

**Views of Responsible Official:** The Clerk agrees that there are a couple of areas that need attention.

**Description of Corrective Action Plan:** As a rule, my Head Bookkeeper does the balancing of bank accounts. The Assistant Bookkeeper will go over the deposits/balancing a second time, at which point, she should initial them. There are times when the process is reversed.

I also have a third Support/Bookkeeper who will, upon occasion, be the second pair of eyes.

We are very conscious of Internal Controls, and trying to keep things in order so as not to open the door to an issue in our Clerk's Bookkeeping Office.

With our Supplemental Annual Financial Reports, I will be certain that once the report is completed, myself or one of the other two Bookkeepers reviews it. If corrections need to be made, or discrepancies are found, that they are addressed.

**Anticipated Completion Date:** We have made these adjustments to our balancing procedure, as well as the reviewing of the reports, both daily and monthly.

Pamela Kay Harris ~ Clerk of Courts

Grant County Circuit Court Clerk

Thursday, May 25, 2023

Corrective Action Plan

Finding 2022-003

## 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/>.