

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ST. JOSEPH COUNTY HOUSING CONSORTIUM

ST. JOSEPH COUNTY, INDIANA

January 1, 2022 to December 31, 2022



**FILED**  
06/30/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Pamela C. Meyer	01-01-22 to 03-17-23
	(Vacant)	03-18-23 to 06-04-23
	Elizabeth Maradik	06-05-23 to 12-31-23
Fiscal Officer	Daniel Parker	01-01-22 to 12-30-22
	Benjamin Dougherty (interim)	12-31-22 to 02-05-23
	Kyle Willis	02-06-23 to 12-31-23
Chair of the Consortium Board	Jordan Gathers	01-01-22 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ST. JOSEPH COUNTY HOUSING  
CONSORTIUM, ST. JOSEPH COUNTY, INDIANA

This report is supplemental to the audit report of the St. Joseph County Housing Consortium (Consortium), 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 Consortium. It should be read in conjunction with the Financial Statement Audit Report of the Consortium, which provides our opinion on the Consortium'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

June 7, 2023

ST. JOSEPH COUNTY HOUSING CONSORTIUM  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

Internal control activities should be selected and developed at various levels to reduce the risks of error and/or fraud of the financial statement. The Consortium previously had internal control processes in place over cash and investments, receipts, and financial reporting; however, a change in personnel occurred during the audit period and these processes were not properly evidenced.

*Cash and Investments (Bank Reconciliations)*

Bank reconciliations were prepared by one individual without a documented oversight or review process to ensure the accuracy and completeness of cash and investments.

*Receipts*

The direct deposited grant drawdowns received from the U.S. Department of Housing and Urban Development were entered by one individual into the financial accounting system without a documented oversight or review process to ensure the accuracy, completeness, timeliness, and classification of the receipts.

*Financial Reporting and Other Information*

One individual prepared and submitted the financial information into the Annual Financial Report via the Indiana Gateway for Government Units financial reporting system, which was the source for the financial statement, without a documented oversight or review process to ensure the accuracy and completeness of the information.

*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. . . ."

ST. JOSEPH COUNTY HOUSING CONSORTIUM  
AUDIT RESULTS AND COMMENTS  
(Continued)

**ANNUAL FINANCIAL REPORT - OTHER INFORMATION**

*Condition and Context*

Financial and other information are required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Grant Schedule information entered into Gateway had overstated grant receipts by \$53,774. The Schedule of Expenditures of Federal Awards was not adjusted for this overstatement since the Consortium provided a schedule based upon expenditures for audit.

*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](#)."

**MONTHLY AND ANNUAL UPLOADS**

This same comment also appeared in a Management Letter addressed to the Officials of the St. Joseph County Housing Consortium for the audit period ending December 31, 2021.

*Condition and Context*

The Consortium did not comply with the State Examiner Directive and failed to upload any of the monthly and annual files, except for the January 2022 bank reconciliation, to the Indiana Gateway for Government Units (Gateway) financial reporting system for 2022. In addition, as of May 2023, the Consortium had not uploaded any of the 2023 monthly files required.

The files and governmental unit information that are required to be uploaded monthly include the bank reconciliements, bank statements, outstanding check lists, approved Consortium board minutes, and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

Annual upload requirements include a detail of receipt activity, detail of disbursement activity, annual vendor history report, and an annual funds ledger.

*Criteria*

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

A user guide for the Engagement Uploads is available and located at: <https://gateway.ifionline.org/userguides/engagementguide> **It is pertinent that this user guide be used in conjunction with this Directive.** It provides critical information to you that will help guide you to uploading the correct documents.

(Amended State Examiner Directive 2018-1)

ST. JOSEPH COUNTY HOUSING CONSORTIUM  
AUDIT RESULTS AND COMMENTS  
(Continued)

***TIMELY RECORDING***

*Condition and Context*

Seven receipts dated from May 14 to July 12, 2022, totaling \$467,333 were not recorded in the ledger until after July 27, 2022. Receipts are to be recorded in the records at the time of the transaction.

*Criteria*

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

ST. JOSEPH COUNTY HOUSING CONSORTIUM  
EXIT CONFERENCE

The contents of this report were discussed on June 7, 2023, with Kyle Willis, Fiscal Officer; Elizabeth Maradik, Director; Jordan Gathers, Chair of the Consortium Board; Caleb Bauer, Consortium Board member; Alyssa Alstott, Neighborhood Grants Specialist; and Jennifer Huddleston, Neighborhood Grants Manager.