# Repeat Findings & CAP’s

Clerk of the Circuit Court Annual Conference  
June 2018

## Audits

**AUDITS:**

- Financial Statements
- AFR in Gateway
- Federal Programs
- Schedule of Federal Expenditures (SEFA)
- Compliance

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### Internal Controls

**Objectives include:**
- **Operations:**
  - Safeguarding of assets
- **Financial Reporting**
  - AFR including Grant schedule
- **Compliance with laws and regulations**

### Findings

**Deficiency in Internal Controls**

**Non-Compliance**
- Statute
- Uniform Compliance Guidelines
- Local policy
- Grant Requirements
## Report of Findings

- Verbal Comments (MFC)
- Management Letter
- Comments in Audit Report
  - Federal Findings
  - Audit Results and Comments (ARC)

## Purpose of Findings

- Need for Resolution
- Understand the problem
- Take corrective action – often requires establishing or modifying internal controls.
Repeat Findings

- IC 5-11-5-1.5
  - Finding in Report – Take corrective action
  - Finding is repeated in subsequent Report:
    - Corrective Action Plan filed with SBOA
    - Follow up by SBOA

Corrective Action Plan

- Packet will be given at exit conference
- Templates
- 10 days to respond
  - Can ask for more time
- Six months to implement
  - Can ask for more time
Root Cause

• The first step is to fully understand the issue.
• Second step to determine the root cause.
• The power of “Why”

Problem – Bank Reconciliation not done.
• Why – no one completed it
• Why – no one was assigned to complete it
• Why - there are no procedures in place to assign the work and monitor the work
Corrective Action Plan

• Template on website
• Description of the corrective action
• Timeline for implementation
  • Focus on root cause, not on effect.

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Corrective Action Plan

• SBOA review and approval
• Report when implementation is complete.
• SBOA follow up
  • Send in documents
  • On site follow up

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INTERNAL CONTROLS

First step was to understand internal control
Second step is an ongoing process
  • Establish policies (in writing)
  • Modify as needed over time
### Five Components

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

### Resources

- Contact Stephanie or Lori
- State Board of Accounts website
  - Internal Control Manual
  - Uniform Compliance Guidelines
  - Best Practices (to be expanded)