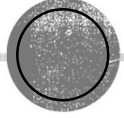


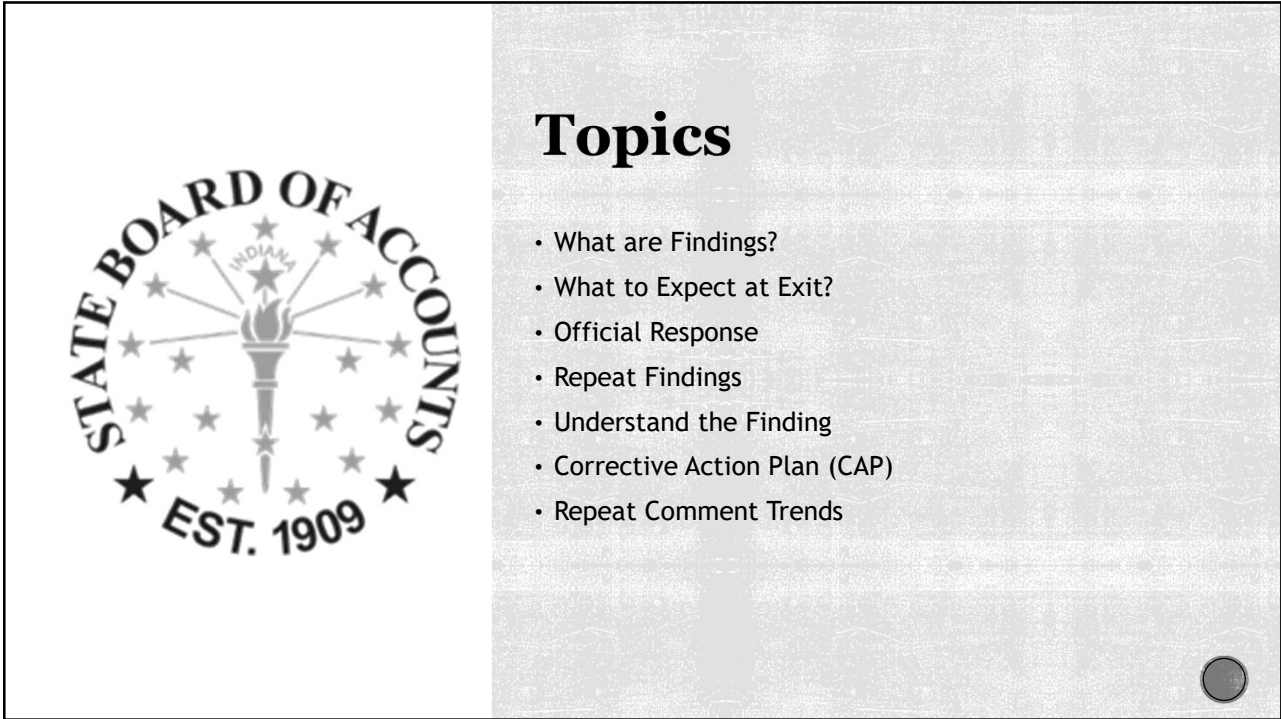


**Repeat Findings**

Indiana State Board of Accounts  
2023 Auditors Spring Conference




1

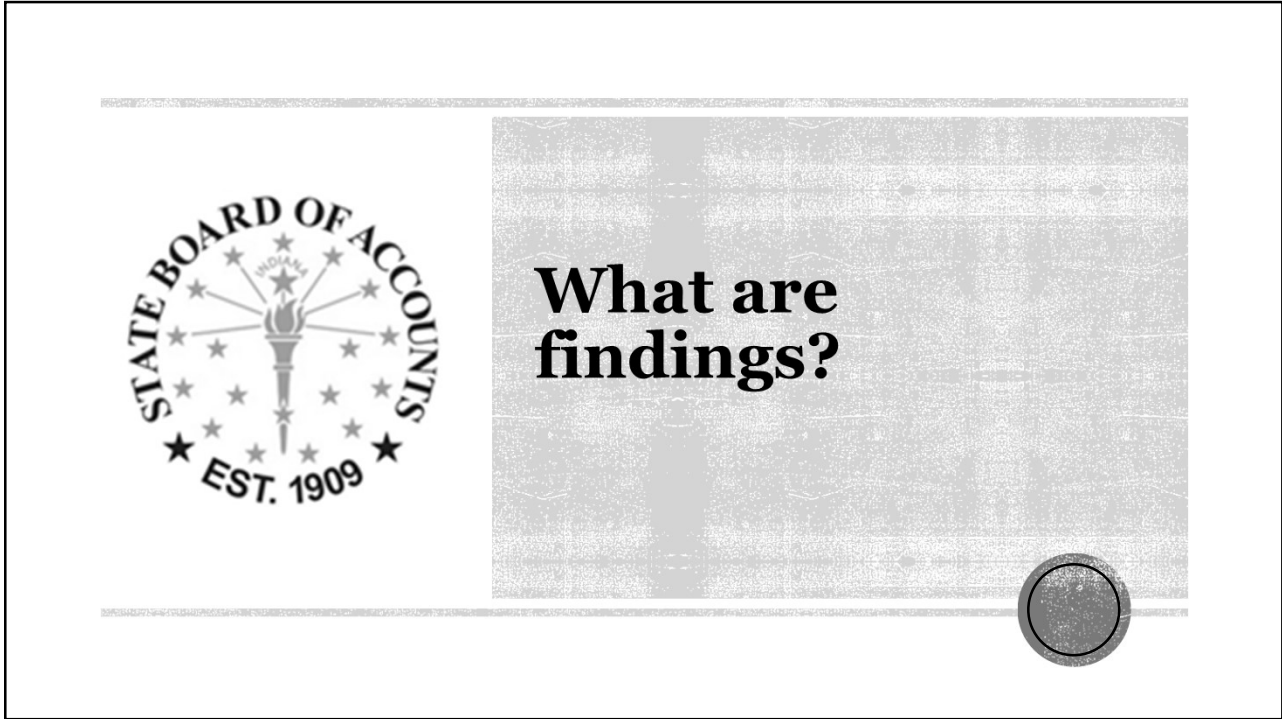


## Topics

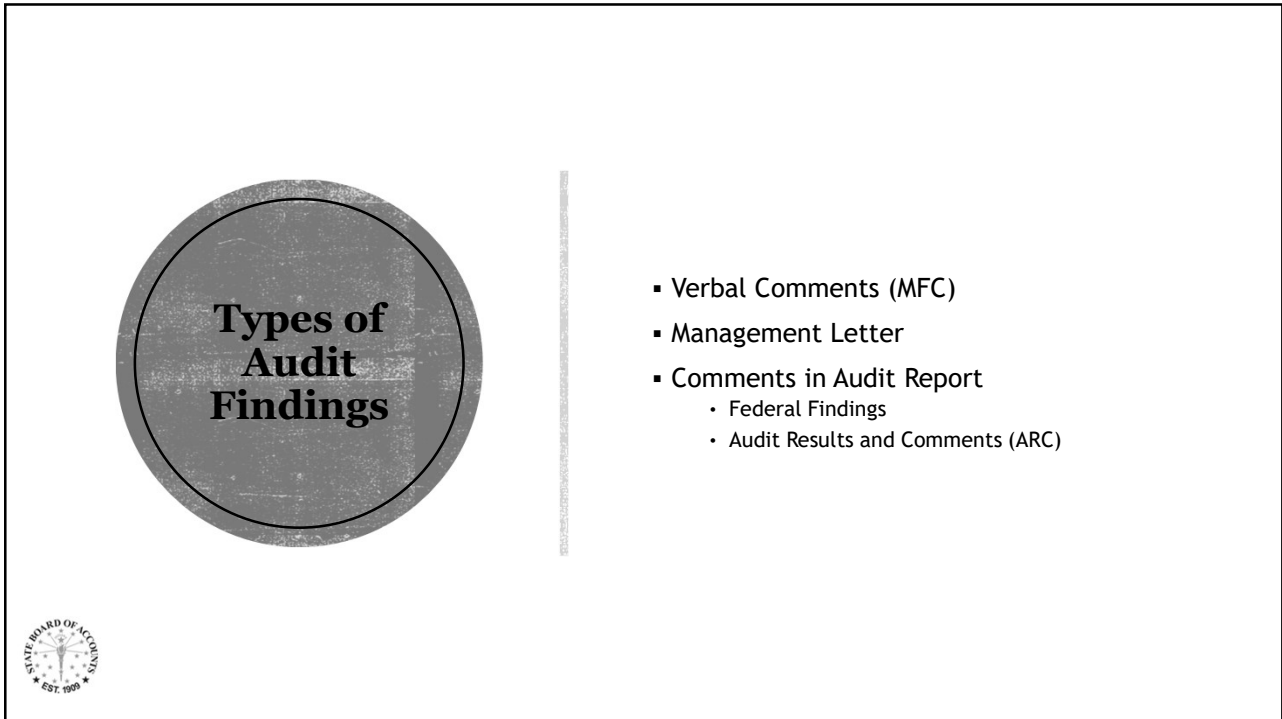
- What are Findings?
- What to Expect at Exit?
- Official Response
- Repeat Findings
- Understand the Finding
- Corrective Action Plan (CAP)
- Repeat Comment Trends



2




3




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

4




**Audit Findings**

- Deficiency in Internal Controls
- Non-Compliance
  - Statute
  - Uniform Compliance Guidelines
  - Local policy
  - Grant Requirements




5




**Purpose of Findings**

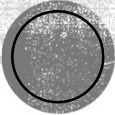
- Need for Resolution
- Understand the problem
- Take corrective action - often requires establishing or modifying internal controls.




6




# What to expect at exit?




7



Difference in report types





Discussion of Findings

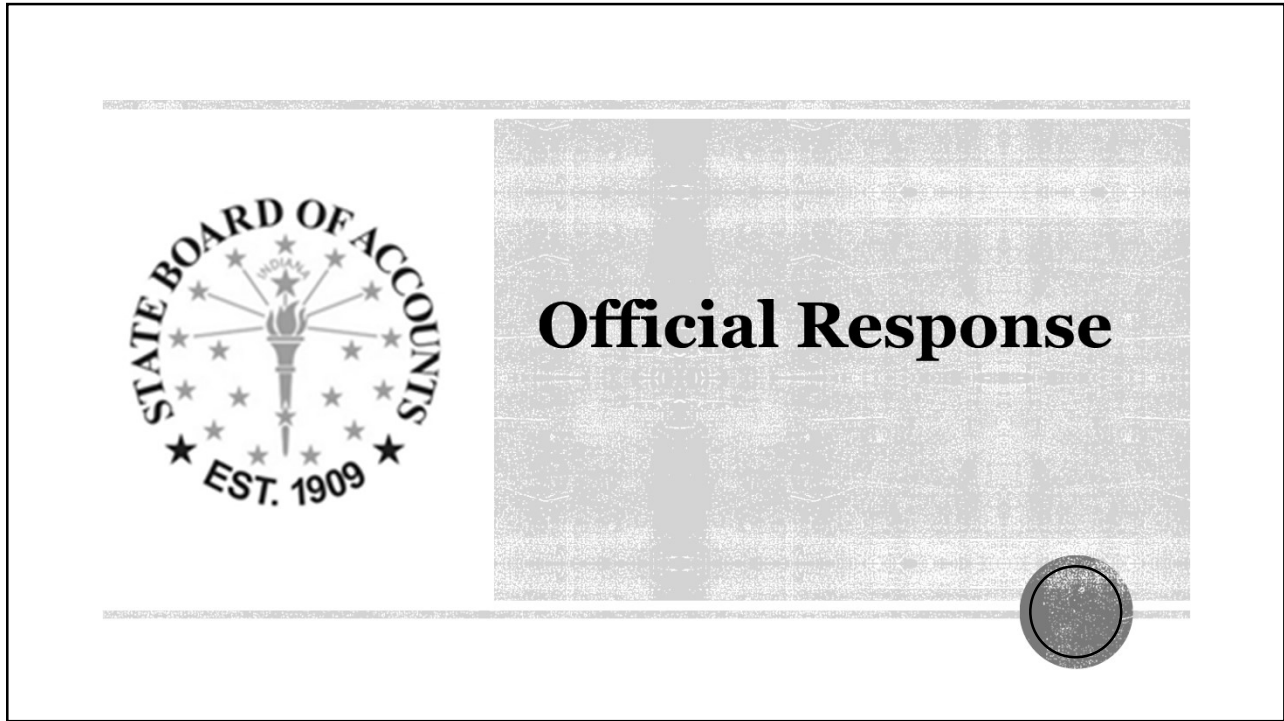


Discuss 1031 - Repeat Comments

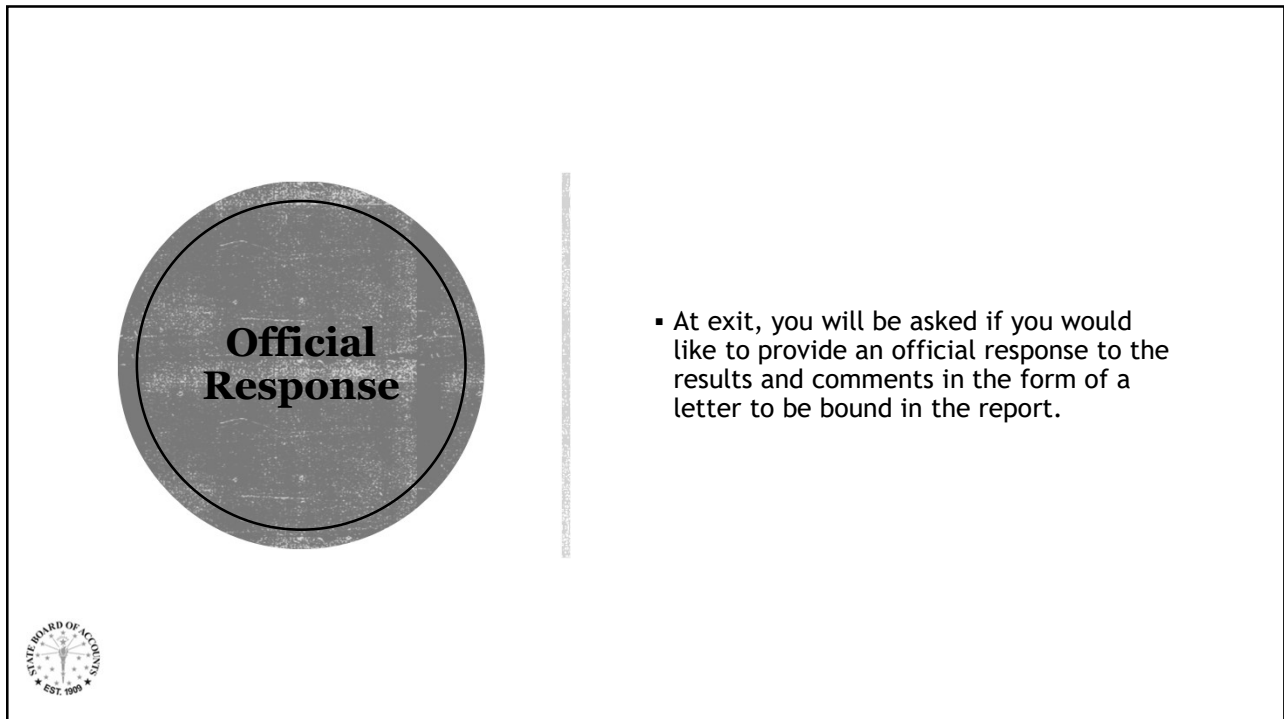
# What to expect at exit?



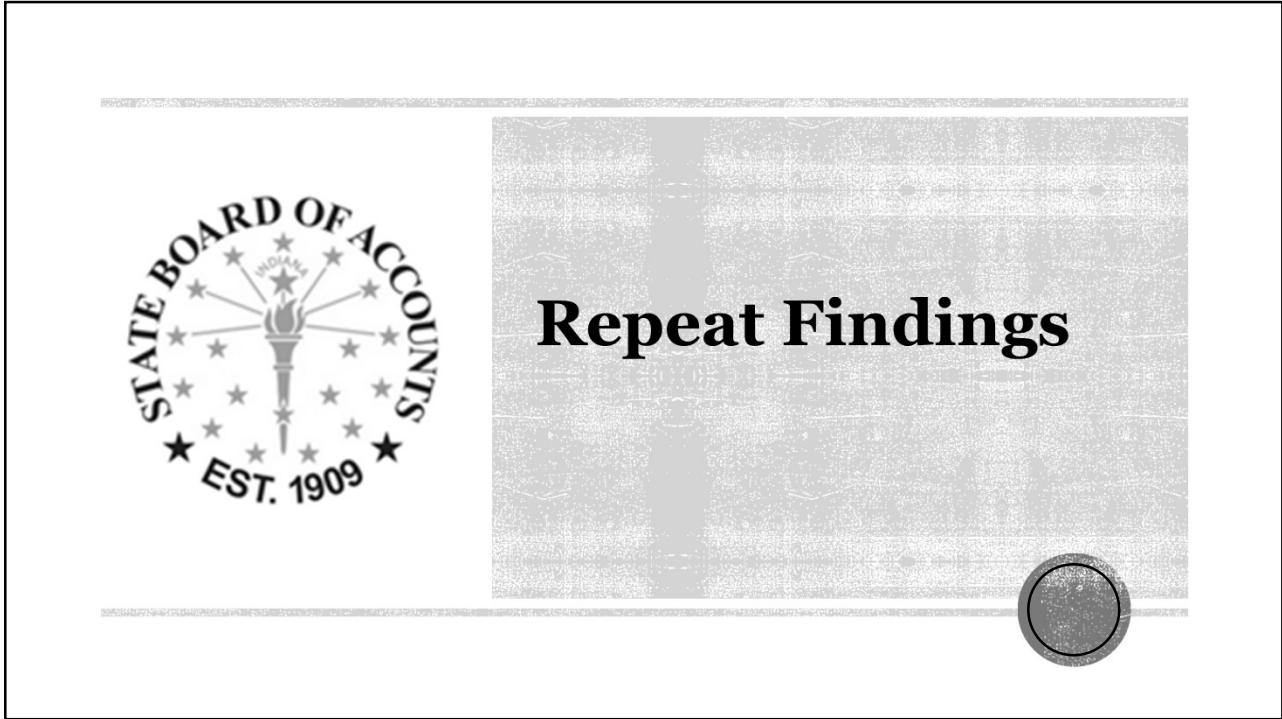
8



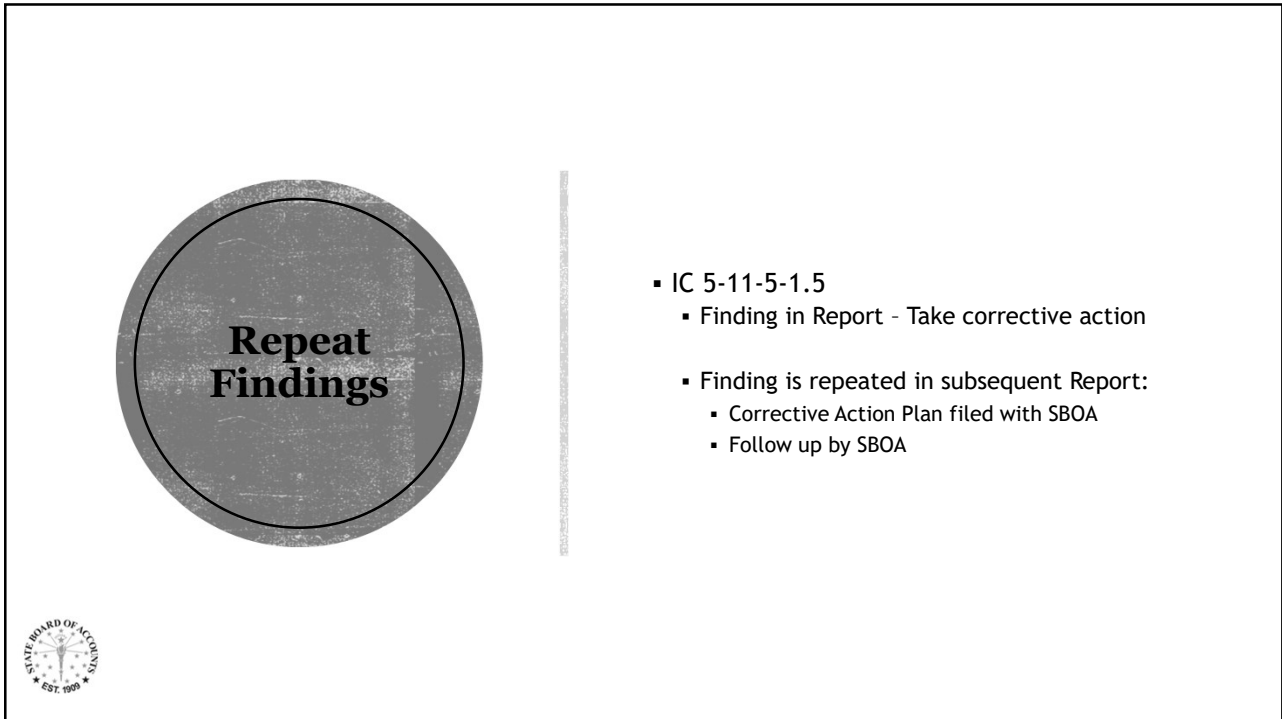
9



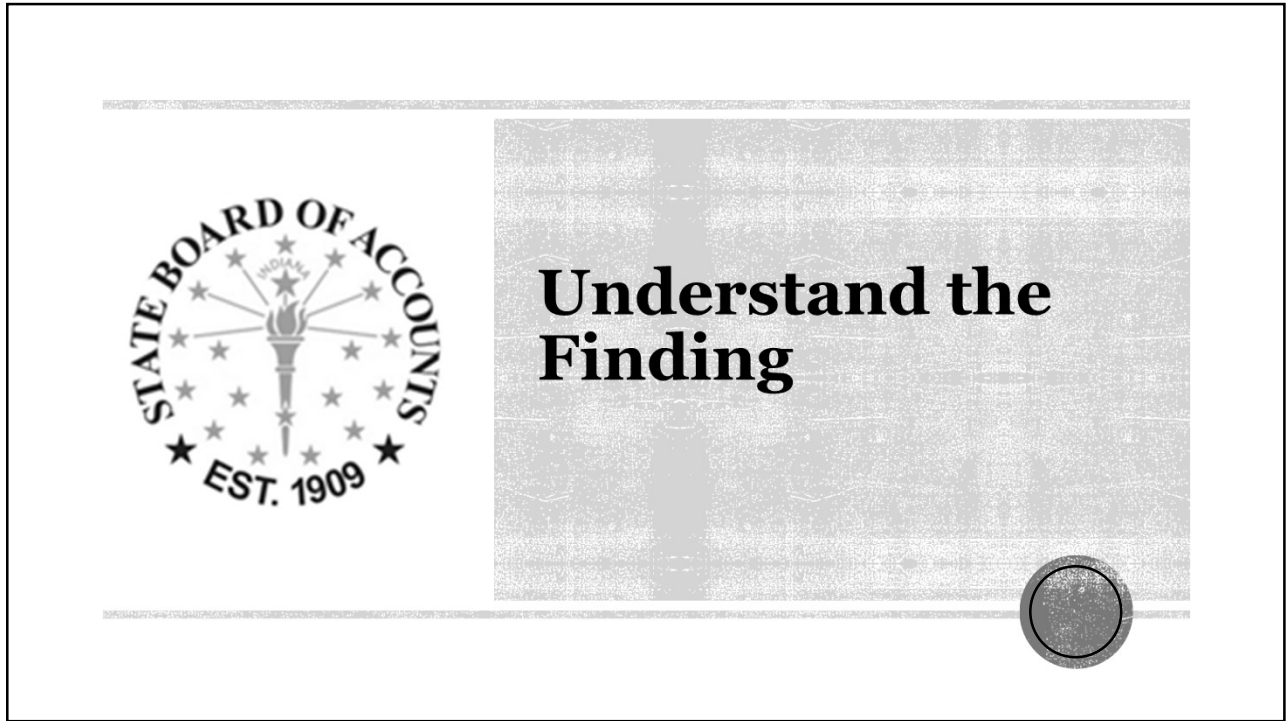
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11

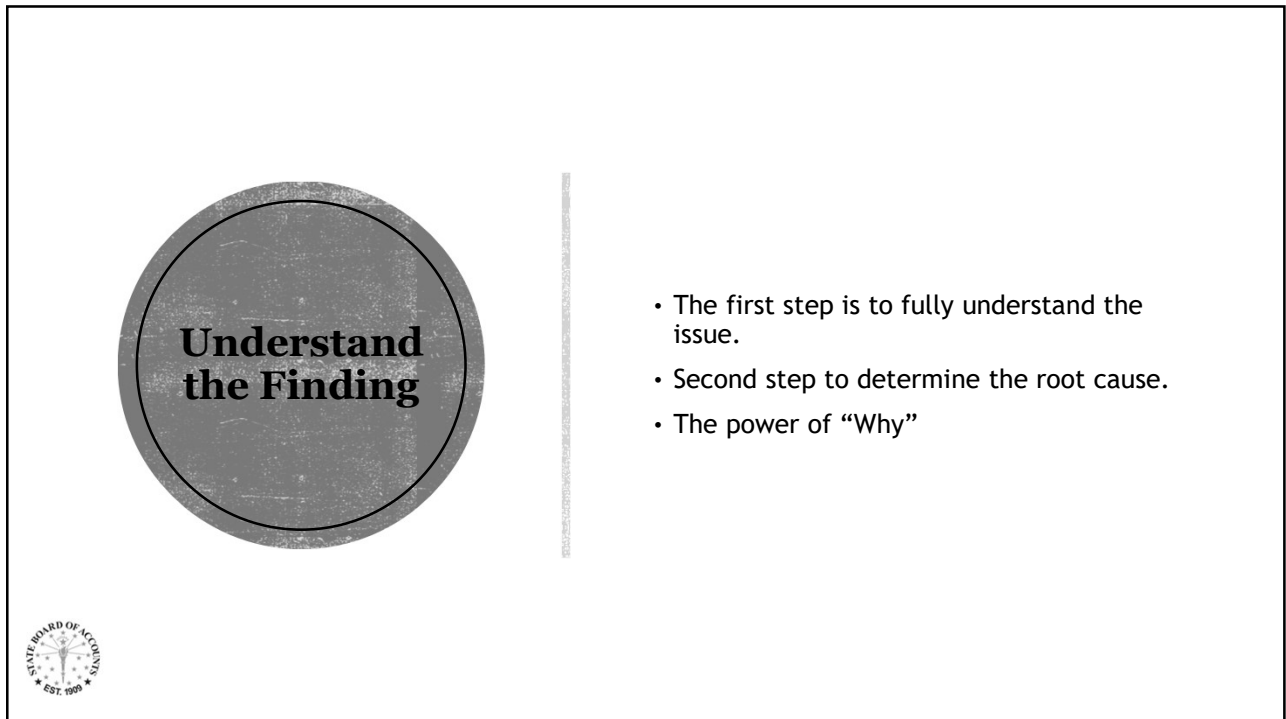


12



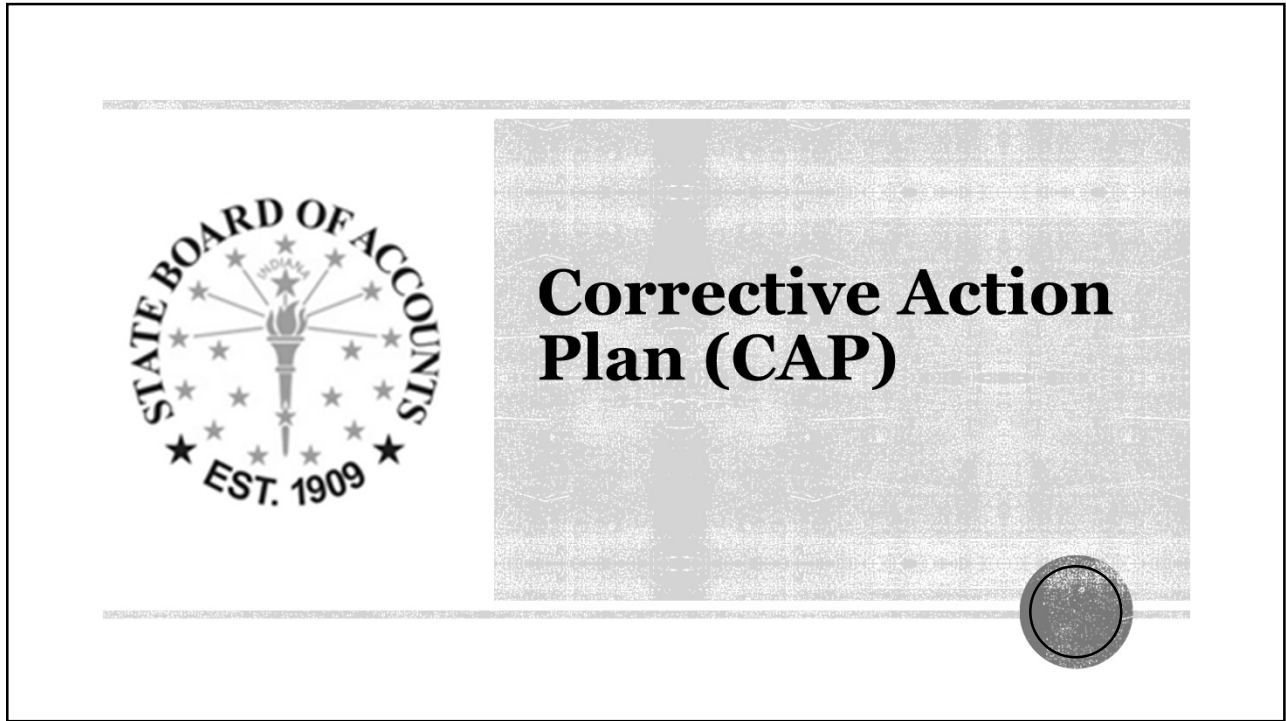
Slide 13 features the State Board of Accounts logo on the left, which includes a torch and the text "STATE BOARD OF ACCOUNTS" and "EST. 1909". The main content area on the right has a textured background with the title "Understand the Finding" in a large, bold, serif font. A small circular graphic is positioned in the bottom right corner of the slide.

13



Slide 14 features a large circular graphic on the left containing the text "Understand the Finding". To the right of this graphic is a vertical line and a bulleted list. The list contains three items: "The first step is to fully understand the issue.", "Second step to determine the root cause.", and "The power of 'Why'". The State Board of Accounts logo is visible in the bottom left corner of the slide.

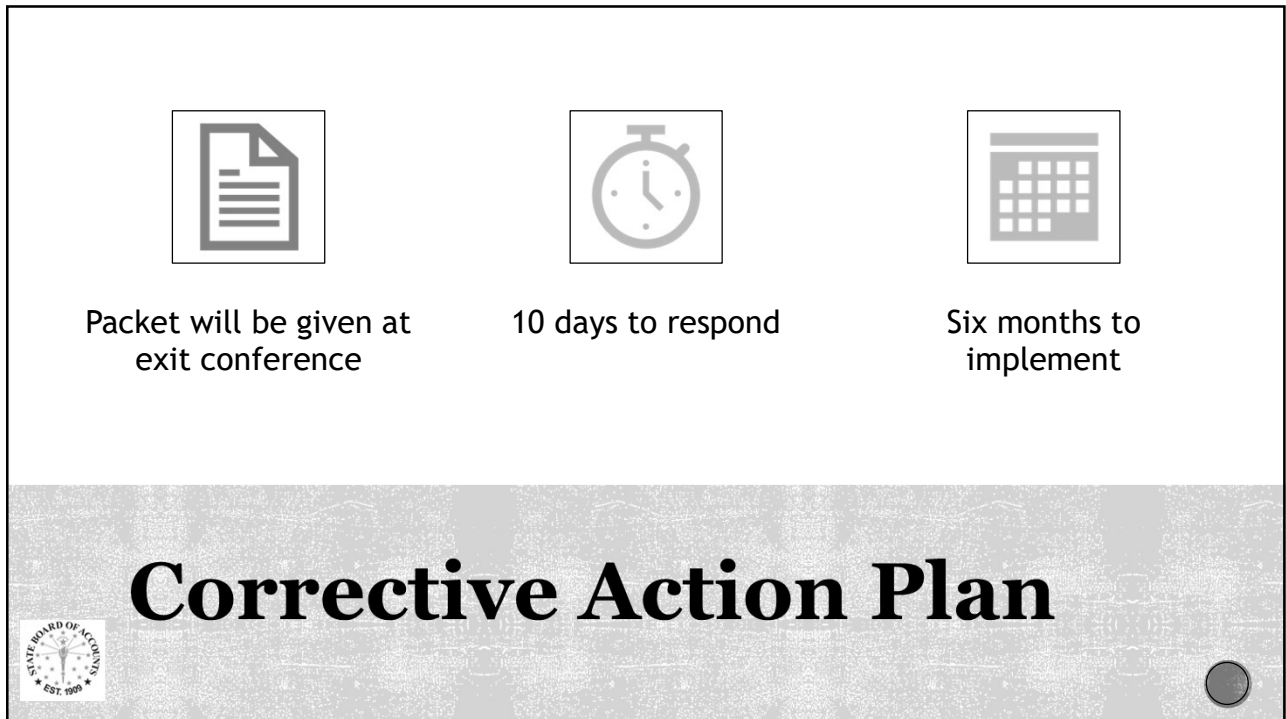
14



STATE BOARD OF ACCOUNTS  
EST. 1909

# Corrective Action Plan (CAP)

15



 Packet will be given at exit conference


 10 days to respond

 Six months to implement

# Corrective Action Plan


16



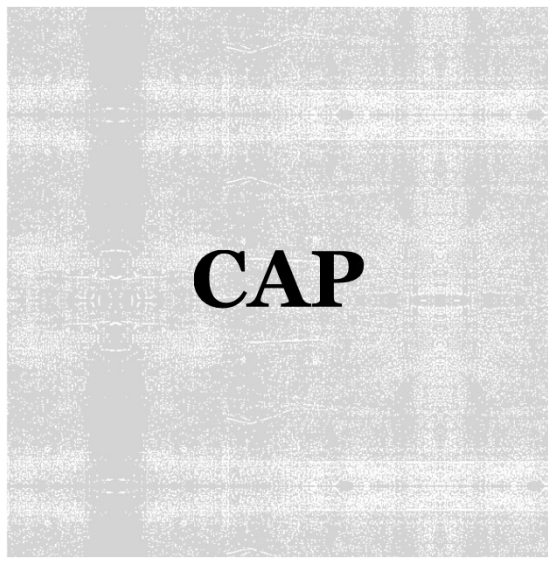


**Corrective Action Plan**

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



17




**CAP**

CORRECTIVE ACTION PLAN FOR

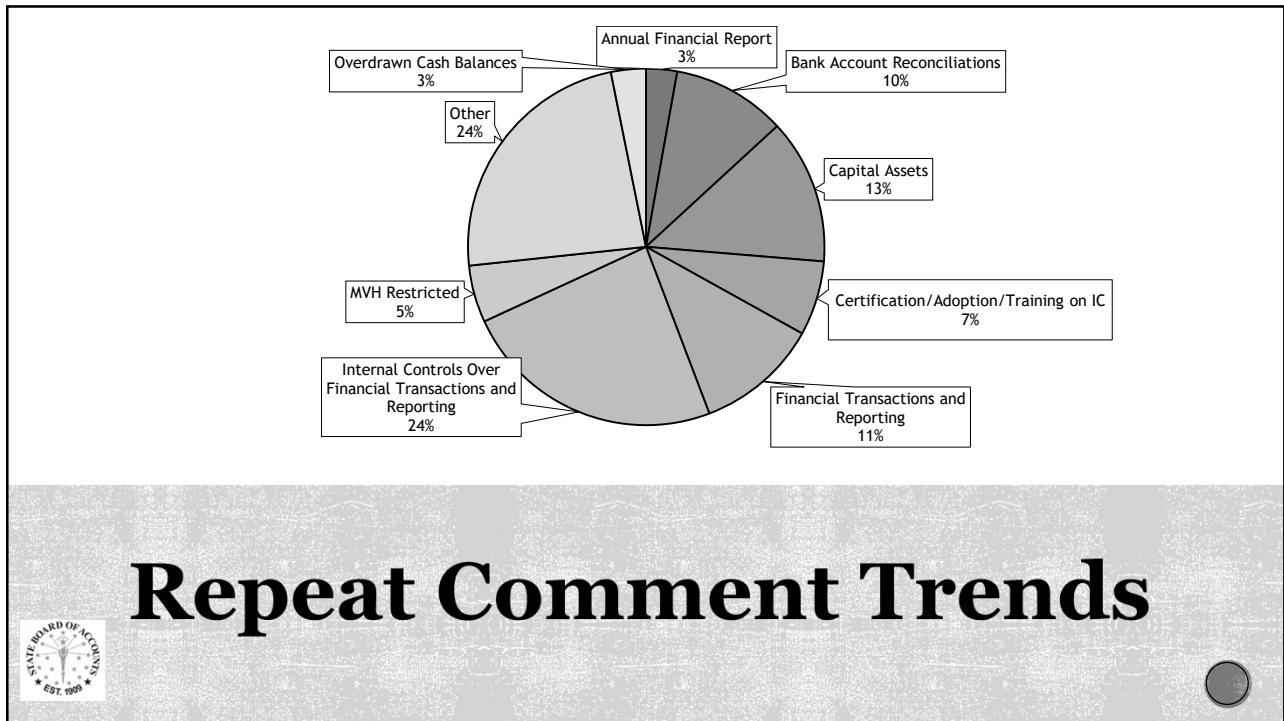
<i>Report period:</i>	
<i>Title of result and comment:</i>	
<i>Contact person Responsible for Corrective Action:</i>	
<i>Contact's Phone Number:</i>	
<i>Contact's Email Address:</i>	
<i>Views of Responsible Official:</i>	
<i>Description of Corrective Action Plan:</i>	
<i>Anticipated Completion Date:</i>	
<i>If applicable: Document reason issue will NOT be corrected within 6 months:</i>	

18




# Repeat Comment Trends

19




20




**Internal  
Controls  
Over  
Financial  
Transactions  
and  
Reporting**

- Things to think about...
  - How was the deficiency found?
  - What was the situation?
  - What is the likeliness of this happening again?
  - Do you need to update your internal control procedures?
  - Are you monitoring your internal controls?
  - Is there segregation of duties?




21




**Capital  
Assets**


- Things to think about...
  - Do you have a capital asset policy?
  - Has a capital assets threshold been set?
  - Are you keeping track of additions and reductions to capital assets?
  - Are you keeping a complete detailed list of capital assets?
  - Are you performing a complete physical inventory at least every two years (or more frequently if required)?
  - Is this information retained for audit?



22




**Bank Account Reconciliations**




- Things to think about...
  - Are you preparing a bank reconciliation monthly for all depository accounts?
  - Are your bank account reconciliations accurate?
  - Are you comparing the adjusted bank balance to the ending fund balance monthly?
    - Is there a variance?
    - Have you identified all reconciling items?
    - Were there any adjustments? Why?

23




**Certification/  
Adoption/  
Training on  
Internal Controls**




- Things to think about...
  - Did your county adopt an internal control policies and procedures?
  - Do you know where the adopted internal control policy is?
  - Did you do the required training provided by SBOA?
  - Did you retain documentation that all required personnel (who handle cash) have watched the required training?
  - Did you certify correctly on gateway?
  - Can all the above documentation be provided when asked at audit?

24




**MVH  
Restricted**

- Things to think about...
  - Was a sub fund (1173) created for MVH restricted funds?
  - Is fund 1173 reported separately on the AFR?
  - Did the County deposit at least 50% of the MVH distributions into the MVH Restricted sub-fund?
  - Were the funds used exclusively for constructions, reconstruction, and preservation of the county's highways?




25




**Overdrawn  
Cash  
Balances**

- Things to think about...
  - At year end do you have a fund with a negative fund balance?
  - Why is the fund negative?
  - What happened during the year?
  - Is this fund a grant fund? Is it a reimbursement grant?




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## Annual Financial Report



- Things to think about...
  - Was the AFR submitted timely by the deadline?
  - Did the AFR include accurate information?
  - Did the AFR include all financial transactions for the calendar year?
  - Were all component unit financial information included?
  - Were all investments included? Debt? Grants?



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# SBOA RESOURCES

- Visit our website: <https://www.in.gov/sboa/political-subdivisions/counties/>
- Corrective Action Plan (CAP) - Repeat Findings
  - 1031 Guidelines <https://www.in.gov/sboa/files/1031-Guidelines.pdf>
  - CAP submission <https://www.in.gov/sboa/political-subdivisions/general-overview/corrective-action-plan-cap-for-repeat-findings/>
  - Template <https://www.in.gov/sboa/files/CAP.pdf>
  - Instructions <https://www.in.gov/sboa/files/CAP-Instructions.pdf>
- Uniform Compliance Guidelines
  - Internal Control Manual <https://www.in.gov/sboa/files/UniformInternalControlStandards.pdf>
- Resource Library <https://www.in.gov/sboa/library/>

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**Government Technical Assistance & Compliance (GTAC) Directors:**  
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