

CORRECTIVE ACTION PLAN FOR HEATH COUNTY

Report period:	01/01/17- 12/31/17
Title of result and comment or finding number:	2017-001 – Preparation of the Schedule of Federal Awards
Contact person:	Lori “Miss Internal Control” Rogers
Contact person information:	(317) 867-5309 SboaRocks.com
Clearly state the issue:	<p>The County did not have a proper system of internal control in place to prevent, detect and correct, errors on the SEFA. The County had implemented controls, but they were not effective.</p> <p>The SEFA contained errors.</p>
List the requirements that were not followed:	<p>2 CFR 200.508 states in part: “The auditee must ...(b) prepare appropriate financial statements including the schedule of expenditures of Federal awards in accordance with 200.510 Financial statements....”</p> <p>2 CFR 200.510(b) states “...The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee’s financial statements...”</p> <p>The SBOA is required under IC 5-11-1-27(e) to define the acceptable minimum level of internal control standards. The Uniform Internal Control Standards for Indiana Political Subdivisions, prepared by the SBOA, provides guidance on internal control standards.</p>
Unit response:	We agree with the repeat finding identified.
Identify the root cause of the issue:	<p>SEFA expenditures did not agree with the records due to incorrect postings of federal and state grant distributions and a lack of review and approval of the SEFA.</p> <p>Financial reports of the grant funds were not provided to the departments for their review.</p> <p>No comparison was made between the financial records and the grant files.</p> <p>The departments were not providing proper documentation to complete the SEFA, such as CFDA numbers, program titles, identifying award numbers, etc.</p>
Steps to be taken to correct the issue:	<p>Based on our understanding of the <u>control deficiencies identified in the audit report</u> and a <u>risk assessment of our policies and procedures</u> for the preparation of the SEFA, we will address those identified risks with the <u>modification of current procedures or creation of new procedures</u> where needed regarding the internal controls in place. A written plan of the updated procedures will be provided to all individuals involved in the grant process.</p>

Implementation timetable:	The written policy will be prepared by November 5th and presented for approval by the Commissioners on November 12th. Training on the new grant policy will occur immediately after approval by the Commissioners.
If applicable: Document reason issue will NOT be corrected within 6 months:	N/A
Summary of how the corrections will prevent future occurrence of the issue:	The updated procedures will result in the accurate reporting of the SEFA. Errors will be identified and eliminated before they are reported.