

# Piatt County, Illinois

Monticello, Illinois

Report on Federal Awards

Year Ended November 30, 2022



**Piatt County, Illinois**  
Year Ended November 30, 2022

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**Table of Contents**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.....1

Independent Auditor’s Report on Compliance and on Internal Control over Compliance Required by the Uniform Guidance.....3

Schedule of Expenditures of Federal Awards.....6

Notes to Schedule of Expenditures of Federal Awards.....7

Schedule of Findings and Questioned Costs.....8

Corrective Action Plan.....11

Summary Schedule of Prior Audit Findings.....12

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the County Board  
Piatt County, Illinois  
Monticello, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Piatt County, Illinois (the "County"), as of and for the year ended November 30, 2022 and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 30, 2023. Our report includes a reference to other auditors who audited the financial statements of the Piatt County Public Transportation and Piatt County Mental Health Center, as described in our report on the County's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, 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 opinions on the financial statements, 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 a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of the County's financial statements 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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying 1 as items 2022-001 and 2022-002 that we consider to be significant deficiencies.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **County's Response to Findings**

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP  
Sterling, Illinois  
March 30, 2023

## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the County Board  
Piatt County, Illinois  
Monticello, Illinois

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Piatt County, Illinois' compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended November 30, 2022. Piatt County, Illinois' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Piatt County, Illinois complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended November 30, 2022.

#### ***Basis for Opinion on the 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 Piatt County, Illinois 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 the major federal program. Our audit does not provide a legal determination of Piatt County, Illinois' 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 Piatt County, Illinois' federal program.

### ***Auditor's Responsibility 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 Piatt County, Illinois' 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 Piatt County, Illinois' compliance with the requirements of the 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 Piatt County, Illinois' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Piatt County, Illinois' 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 Piatt County, Illinois' 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 a 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 a 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.

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 statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Piatt County, Illinois for the year ended November 30, 2022, and issued our report thereon dated March 30, 2023, which contained an unmodified opinion and qualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements 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 statements. 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 statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 statements as a whole.



Wipfli LLP

Sterling, Illinois  
March 30, 2023

# Piatt County, Illinois

## Schedule of Expenditures of Federal Awards For the year ended November 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Justice</b>				
Illinois Criminal Justice Information Authority Edward Bryne Memorial Justice Assistance Grant Program	16.738	419016	\$50,512	\$0
<b>U.S. Department of the Transportation</b>				
Illinois Department of Transportation Section 5311 Operating Assistance	20.509	OP-22-31-FED	70,149	0
COVID-19 Transit Formula Grants for Rural Areas	20.509	OP-21-31-CARES	40,160	0
COVID-19 Transit Formula Grants for Rural Areas	20.509	OP-21-31-CARES	249,440	0
Total ALN 20.509			359,749	0
<b>U.S. Department of Treasury</b>				
Illinois Department of Healthcare and Family Services COVID-19 - Local CURE & Economic Support	21.019	CURE200299	106,058	0
Direct Award COVID-19 - State and Local Fiscal Recovery Funds	21.027	NA	541,828	0 (m)
Total U.S. Department of Treasury			647,886	0
<b>U.S. Election Assistance Commission</b>				
Illinois State Board of Elections Help America Vote Act of 2002	90.404	PIATT22	10,689	0
<b>U.S. Department of Homeland Security</b>				
Illinois Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4489-147-99147-00	6,279	0
Illinois Emergency Management Agency Hazard Mitigation Grant	97.039	HMGP4461PIATT1	26,533	0
Illinois Emergency Management Agency Emergency Management Performance Grant	97.042	21EMAPIATT	21,012	0
Total U.S. Department of Homeland Security			53,824	0
<b>Total federal awards expended</b>			<b>\$1,122,660</b>	<b>\$0</b>

(m) - Audited as a major federal program.

See Notes to Schedule of Expenditures of Federal Awards.



# Piatt County, Illinois

## Notes to Schedule of Expenditures of Federal Awards

Year Ended November 30, 2022

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### **Note 1: Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of Piatt County, Illinois (the "County") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The County elected not to use the 10% de minimis indirect cost rate during the year ended November 30, 2022.

### **Note 2: Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

The value of non-cash assistance is valued at fair market value at the time of receipt or the assessed value provided by the federal agency.

### **Note 3: Noncash Assistance**

The County did not dispense noncash assistance in the form of food commodities and WIC food instruments during the year ended November 30, 2022.

### **Note 4: Other Federal Award Information**

The County did not receive or administer any insurance, loans or loan guarantees during the fiscal year ended November 30, 2022.

# Piatt County, Illinois

## Schedule of Findings and Questioned Costs

Year Ended November 30, 2022

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### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified Governmental Activities  
 Qualified Business-Type Activities  
 Qualified Discretely Presented Component

Units

Unmodified Aggregate Remaining Fund

Information

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes  No
- Significant deficiency(ies) identified? \_\_\_\_\_  Yes \_\_\_\_\_ None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes  No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes  No
- Significant deficiency(ies) identified? \_\_\_\_\_ Yes  None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes  No

#### Identification of major programs

ALN Number(s)	Federal Program or Cluster
21.027	COVID-19-State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes  No

# Piatt County, Illinois

## Schedule of Findings and Questioned Costs (Continued)

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### Section II - Audit Findings in Relation to Financial Statements

2022-001

**Improper Segregation of Duties**

**Criteria or Specific Requirement:** Internal controls should be in place that provide reasonable assurance that not one individual handles a transaction from its inception to its completion.

**Condition:** There is inadequate control over the functions of processing manual journal entries, lack of review and approval of grant cash draw downs, and lack of approval over bank reconciliations.

**Context:** The County should have adequate staffing to properly segregate duties.

**Effect:** As a result of this condition, there is a higher risk that errors or irregularities could occur and not be detected and corrected within a timely period.

**Cause:** The County has a limited number of staff to allow for adequate segregation of duties.

**Auditor's Recommendation:** Management and the Board's close supervision and review of accounting information appears to be the most economical and appropriate manner to help prevent and detect errors and irregularities in the County's accounting and financial reporting.

**View of Responsible Officials:** We agree with the finding and have developed a corrective action plan.

# Piatt County, Illinois

## Schedule of Findings and Questioned Costs (Continued)

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2022-002

**Off the Book Accounts**

**Criteria or Specific Requirement:** The County should record all of its cash accounts and activity through their accounting system for audit purposes. This requirement is set by regulatory bodies, such as state or federal governments, or professional accounting organizations.

**Condition:** The County is not recording the cash and activity for some accounts in the accounting system. This means there is no systematic way to track and monitor the County's cash flow and activity for these accounts.

**Context:** In planning and performing our audit procedures, we confirmed that the County is not recording the cash and activity in certain County and Custodial accounts held by the Treasurer, County Clerk, Circuit Clerk, Jail, and Sheriff department. Custodial funds are monies held on behalf of others in which the County does not have control over the use of these funds. However, Custodial funds are still part of the County's records and are required to be reported on during our audit.

**Effect:** Without recording the cash and activity, the information provided to management is inaccurate. Also, the probability that misstatements or material errors will occur and go undetected generally increases.

**Cause:** The County did not record the cash and activity for some of their accounts held by the Treasurer, County Clerk, Circuit Clerk, Jail, and Sheriff department to verify the completeness, validity, and accuracy of their financial records.

**Auditor's Recommendation:** County management should begin to record the cash and activity for the accounts that weren't previously recorded. This would allow the County to ensure completeness and accuracy, enhancing the validity of their financial records.

**View of Responsible Officials:** We agree with the finding and have developed a corrective action plan.

**PIATT COUNTY BOARD**  
Courthouse Room 107 ~ 101 W. Washington Street  
Monticello, IL 61856-1681  
Phone: 217.762.9487 / Fax: 217.762.7563  
**Todd Henricks (Chairman) ~ Jerry Edwards (Vice Chairman)**  
**R. Michael Beem –Gail Jones - Kathleen Piatt~ Paul Foran**  
Jennifer Harper (County Clerk & Recorder) ~ Keri Nusbaum (Secretary)

**Corrective Action Plan for Current Year Findings**

**Finding 2022-001 – Improper Segregation of Duties**

Corrective Action Plan

The County's management and County Board's close supervision and review of accounting information is the most economical and appropriate manner to help prevent and detect errors and irregularities in the county's accounting and financial reporting. There is no anticipated completion date for this item.

Person(s) Responsible (name, title): Todd Henricks, Piatt County Board Chairman

Timing for Implementation: There is no anticipated completion date for this item.

**Finding 2022-002 – Off the Book Accounts**

Corrective Action Plan

The County's accounting system is unable to handle the number of accounts that are being tracked off the books. The County's management's review of this accounting information is the most economical way to report these accounts.

Person(s) Responsible (name, title): Todd Henricks, Piatt County Board Chairman

Timing for Implementation: There is no anticipated completion date for this item.

# Piatt County, Illinois

## Summary Schedule of Prior Audit Findings

Year Ended November 30, 2022

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The following summarizes the prior audit findings and corrective action taken:

**Finding 2021-001** Segregation of duties - There is inadequate control over the functions of processing manual journal entries, lack of review and approval of grant cash draw downs, and inadequate segregation of duties within the processing and recording functions of payroll. - **Ongoing**

**Finding 2021-002** Procurement - During our procurement testing, the County did not follow its procurement policy requiring bids for amounts above its threshold. The County purchased a mini-van in the amount of \$28,600 without soliciting bids. - **Resolved**