

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

COMPLIANCE EXAMINATION REPORT

OF

ORLEANS PUBLIC LIBRARY

ORANGE COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**  
08/17/2023



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

August 17, 2023

To: The Officials of the Orleans Public Library  
Orleans Public Library  
174 N Maple Street  
Orleans, IN 47452

This report is supplemental to the audit report of the Orleans Public Library (Library), for the period from January 1, 2019 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the Library. It should be read in conjunction with the financial statement audit report of the Library, which provides an opinion on the Library's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Library and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for the Orleans Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2019 to December 31, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads 'Tammy R. White'.

Tammy R. White, CPA  
Deputy State Examiner

ORLEANS PUBLIC-LIBRARY

Orange County, Indiana  
January 1, 2019 to December 31, 2022

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ORLEANS PUBLIC-LIBRARY  
SCHEDULE OF OFFICIALS  
January 1, 2019 to December 31, 2022

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Christina Morgan	06-28-22 to 12-31-22
	Deborah Stone	01-01-19 to 07-31-22
Treasurer	Carol Sue McCart	01-01-19 to 12-31-22
President of the Library Board	Cathy Hardin	01-01-19 to 12-31-22

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the Orleans-Public Library

We have examined the Orleans-Public Library ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period January 1, 2019 to December 31, 2022. Management of the Library is responsible for the Library's compliance with the specified requirements. Our responsibility is to express an opinion on the Library's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Library complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Library complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Library's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Libraries* applicable to the Library during the period January 1, 2019 to June 30, 2022, as described in item 2022-001 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Library complied, in all material respects, with the aforementioned requirements during the period January 1, 2019 to December 31, 2022.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
July 28, 2023

ORLEANS PUBLIC-LIBRARY  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2019 to December 31, 2022

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**FINDING 2022-001: INTERNAL CONTROLS**

**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 Libraries*. 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. . . ."*

**Condition:** During testing, we noted that the Library did not meet the minimum standards of internal control. Specifically, the Library did not have documented review of the December 2019 and December 2020 Bank Reconciliation. The Library typically has the Director prepare the bank reconciliation and the Treasurer sign off indicating that the reconciliation has been reviewed. The Library did not have documented review of these bank reconciliations.

ORLEANS PUBLIC-LIBRARY  
EXIT CONFERENCE  
January 1, 2019 to December 31, 2022

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The contents of this report were discussed on July 28, 2023, with Christina Morgan, Director; Carol Sue McCart, Treasurer; and Cathy Hardin, President of the Library Board.