

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

COMPLIANCE EXAMINATION REPORT

OF

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY

CARROLL COUNTY, INDIANA

January 1, 2018 to December 31, 2022



FILED

10/19/2023



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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October 19, 2023

To: The Officials of the Flora-Monroe Township Public Library
Flora-Monroe Township Public Library
109 N. Center St
Flora, IN 46929

This report is supplemental to the audit report of the Flora-Monroe Township Public Library (Library), for the period from January 1, 2018 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/.

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 Flora-Monroe Township Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2018 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 findings in the report on pages 3-4.

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

COMPLIANCE EXAMINATION OF
FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
Carroll County, Indiana
January 1, 2018 to December 31, 2022

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY

Carroll County, Indiana
January 1, 2018 to December 31, 2022

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FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
January 1, 2018 to December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Melissa Bishop Rachel Ashcraft	01-01-18 to 09-02-19 09-03-19 to 12-31-22
Treasurer	Jennifer Spesard	01-01-18 to 12-31-22
President of the Board	Carol Ives	01-01-18 to 12-31-22



INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Flora-Monroe Township Public Library

We have examined the Flora-Monroe Township Public Library ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period January 1, 2018 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, 2018 to December 31, 2022, as described in items 2022-001 – 2022-004 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, 2018 to December 31, 2022.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 10, 2023

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2018 to December 31, 2022

FINDING 2022-001: APPROVAL OF CLAIMS BY FISCAL OFFICER

Criteria: Indiana Code 5-11-10-1.6(c) states: "The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

Condition: A statement appears on the Register of Claims, which lists the vendor and payroll disbursements, that states the following: "I hereby certify that each of the above listed vouchers and the invoices, or bills attached thereto, are true and correct and I have audited same in accordance with IC 5-11-10-1.6." Below this statement is a line for the Fiscal Officer to sign. A similar statement appears on the individual vouchers. Neither the Register of Claims, nor the individual vouchers, were signed by the Fiscal Officer for twenty-five of the forty-five selections. All claims tested, did show evidence of review by the Library Board, as evidenced by signatures of the Library Board members.

FINDING 2022-002: CAPITAL ASSETS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *"Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records."*

Condition: During testing of capital assets, we noted the Library's detailed listing of capital assets did not materially reconcile with the detailed listing of capital assets found on the Indiana Gateway portal, which is comprised of data entered by the Library as part of the annual financial reporting procedures. Crowe also noted the Library does not have documentation supporting a physical inventory being performed at least once every two years.

(Continued)

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2018 to December 31, 2022

FINDING 2022-003: GATEWAY UPLOADS

Criteria: The Indiana State Board of Accounts (SBOA) Directive 2018-1 states in part, " Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

The following files and governmental unit information are required to be uploaded monthly by all units:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

The following files and governmental unit information are required to be uploaded annually by all units:

- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (or Schedule)
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund

Condition: During testing, we noted the Library had not uploaded the 2018 monthly uploads for the first six months. The 2019 and 2020 annual uploads were not uploaded in a timely manner. They were uploaded in the 2022 fiscal year.

FINDING 2022-004: NEW HIRE REPORTS

Criteria: Indiana Code 22-4-10-8(i) states in part, "*The directory under subsection (h) must contain the information for each newly hired employee that an employer must provide to the department under subsection (l)... (j) An employer must transmit the information required under subsection (l):*

(1) within twenty (20) business days of the employee's date of hire; or

(2) if the information is transmitted magnetically or electronically, in two (2) monthly transactions that are:

(A) not less than twelve (12) days apart; and

(B) not more than sixteen (16) days apart.

Condition: During testing, Crowe noted that new hire reports were submitted to the Department of Workforce Development for each of the years under audit; however, they were submitted months after the hire date.

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2018 to December 31, 2022

The contents of this report were discussed on October 10, 2023 with Rachel Ashcraft, Director, Jennifer Spesard, Treasurer, and Carol Ives, President of the Board.