

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

COMPLIANCE EXAMINATION REPORT

OF

WALKERTON-LINCOLN TOWNSHIP LIBRARY

ST. JOSEPH COUNTY, INDIANA

January 1, 2018 to December 31, 2022



FILED

11/22/2023



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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November 22, 2023

To: The Officials of the Walkerton-Lincoln Township Library
Walkerton-Lincoln Township Library
406 Adams St.
Walkerton, IN 46574

This report is supplemental to the audit report of the Walkerton-Lincoln Township 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 Walkerton-Lincoln Township 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 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

WALKERTON-LINCOLN TOWNSHIP PUBLIC LIBRARY

St Joseph County, Indiana
January 1, 2018 to December 31, 2022

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WALKERTON-LINCOLN TOWNSHIP PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
For the period January 1, 2018 to December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Traci Stewart	01-01-18 to 03-15-19
	Jennifer Kirman	03-16-19 to 12-31-22
President of the Library Board	Karyn Hesters	01-01-18 to 12-31-22
Treasurer	Steven Mockler	01-01-18 to 12-31-18
	Annette Haining	01-01-19 to 06-30-21
	Carol Kuzmich	07-01-21 to 12-31-22



INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Walkerton-Lincoln Township Public Library

We have examined the Walkerton-Lincoln Township Public Library (the "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 through 2022-003 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.

A handwritten signature in black ink that reads "Crowe LLP".
Crowe LLP

Indianapolis, Indiana
November 16, 2023

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

FINDING 2022-001: COMPENSATION AND BENEFITS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, "All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements."

Condition: During testing of payroll expenditures, we noted that six instances, in a sample of 10, were not supported by a written contract or Board approved.

FINDING 2022-002: MISSING 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 did not upload all required Annual Uploads for calendar years 2018 through 2022.

FINDING 2022-003: LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Criteria: Indiana Code 6-1.1-22-14(a) states in part, "*On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision and the township executive shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located.*"

Condition: During testing, we noted that a list of employees was not filed with the County Treasurer for calendar years 2018 through 2022.

WALKERTON-LINCOLN TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2018 to December 31, 2022

The contents of this report were discussed on November 16, 2023 with Jennifer Kirman, Director and Karyn Hesters, Board President.