

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WARRICK COUNTY SOLID WASTE MANAGEMENT DISTRICT

WARRICK COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**

11/08/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Trayce Wilson Reagan Opperman	01-01-19 to 04-09-20 04-10-20 to 12-31-23
President of the District Board	Bob Johnson Terry Phillippe	01-01-19 to 12-31-19 01-01-20 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE WARRICK COUNTY SOLID WASTE  
MANAGEMENT DISTRICT, WARRICK COUNTY, INDIANA

This report is supplemental to the audit report of the Warrick County Solid Waste Management District (District), 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 Audit Results and Comments that pertain to the District. It should be read in conjunction with the Financial Statements Audit Report of the District, which provides our opinions on the District'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 performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

October 10, 2023

WARRICK COUNTY SOLID WASTE MANAGEMENT DISTRICT  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

*Condition and Context*

There were deficiencies in the internal control system of the District related to financial transactions and reporting. The District had not designed or implemented a system of effective internal controls over cash and investments and financial close and reporting.

*Cash and Investments*

The District did not have a proper system of internal controls in place over cash and investments to prevent, or detect and correct, errors. Monthly bank reconciliements were performed by the Controller without any oversight, approval, or review process in place to ensure the accuracy of the reconciliements with the cash and investment balances.

*Financial Close and Reporting*

The District did not have a proper system of internal controls in place over financial close and reporting to prevent, or detect and correct, errors. The Controller entered the information into the Indiana Gateway for Governmental Units (Gateway) financial reporting system, which was the source of the Annual Financial Report and the financial statements. There was no evidence of any oversight, review, or approval process of this information by the District prior to it being submitted to Gateway, to ensure its accuracy.

*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 Indiana Political Subdivisions*. 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. . . ."

**CAPITAL ASSETS**

*Condition and Context*

The District did not have a capital asset policy that detailed the threshold at which an item is considered a capital asset. Additionally, the detailed capital asset records presented for audit did not include buildings and land owned by the District.

WARRICK COUNTY SOLID WASTE MANAGEMENT DISTRICT  
AUDIT RESULTS AND COMMENTS  
(Continued)

*Criteria*

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. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

**ANNUAL FINANCIAL REPORT - OTHER INFORMATION**

*Condition and Context*

Financial, required supplementary information, and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The District had not established effective internal controls over the AFR information entered into Gateway. As a result, the amounts reported in the AFR for capital assets for 2019, 2020, 2021, and 2022, were not supported by the District's capital asset records.

*Criteria*

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Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

WARRICK COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on October 10, 2023, with Reagan Opperman, Controller; Terry Phillippe, President of the District Board; and Freddie Rowland, Superintendent.