

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

COMPLIANCE EXAMINATION REPORT

OF

WEST LAFAYETTE PUBLIC LIBRARY

TIPPECANOE COUNTY, INDIANA

January 1, 2021 to December 31, 2022



FILED

10/31/2023



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

October 31, 2023

To: The Officials of the West Lafayette Public Library
West Lafayette Public Library
208 W. Columbia St.
West Lafayette, IN 47906

This report is supplemental to the audit report of the West Lafayette Public Library (Library), for the period from January 1, 2021 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 West Lafayette Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2021 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 through 5.

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

WEST LAFAYETTE PUBLIC LIBRARY

Tippecanoe County, Indiana
January 1, 2021 to December 31, 2022

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WEST LAFAYETTE PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
January 1, 2021 to December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Nick Schenkel	01-01-21 to 12-31-22
President of the Board	Anastasia Krutulis	01-01-21 to 12-31-22
Board Treasurer	Mark Pugh	01-01-21 to 12-31-22



INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the West Lafayette Public Library

We have examined the West Lafayette Public Library's ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period January 1, 2021 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, 2021 to December 31, 2022, as described in item 2022-001 through 2022-007 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, 2021 to December 31, 2022.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 19, 2023

WEST LAFAYETTE PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2021 to December 31, 2022

FINDING 2022-001: DEPOSIT OF ACCOUNTABLE ITEMS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *“Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the units. The deposit ticket or attached documentation must provide a detail listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers.”*

Condition: During testing of receipts, we noted four instances, in a sample of eleven, in which a proper deposit slip was not available.

FINDING 2022-002: DISBURSEMENTS – SUPPORTING DOCUMENTS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *“Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee.”*

Condition: During testing of disbursements, we noted two instances, in a sample of forty-nine, in which supporting invoice documentation was not provided. The total amount of disbursements identified was \$97,624.20. We also noted five vouchers, out of forty-nine, of which the Director had not properly approved with signature.

FINDING 2022-003: 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 did not have a detailed capital asset listing current for 2022. We also noted the Library did not have a physical inventory of all assets performed during the audit period.

FINDING 2022-004: BANK ACCOUNT RECONCILIATION REVIEW

Criteria: Indiana Code 5-13-6-1(e) states, *“All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.”*

Condition: We noted that the Library’s Bookkeeper prepares bank reconciliations on a monthly basis and provides it to the Director for review and submission to the SBOA’s Gateway site. However, there is no formal documentation of the Director’s review and approval of the monthly bank reconciliations.

(Continued)

WEST LAFAYETTE PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2021 to December 31, 2022

FINDING 2022-005: INTERNAL CONTROLS – TRAINING

Criteria: Indiana Code 5-11-1-27(h) states in part, “After June 30, 2016, the fiscal officer of a political subdivision shall certify in writing that: . . . (2) personnel, who are not otherwise on leave status, have received training as required by subsection (g)(2).”

Condition: During testing, we noted that the Unit had not met the minimum standards for training set in Indiana Code 5-11-1-27(h). The Library was unable to provide documentation supporting that required internal control trainings had been completed.

FINDING 2022-006: 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 2021 and 2022 annual uploads in a timely manner. They were uploaded on May 18, 2023. We also noted the November 2021 bank reconciliation and statement had not been uploaded.

(Continued)

WEST LAFAYETTE PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2021 to December 31, 2022

FINDING 2022-007: 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, we noted management was unable to provide new hire reports submitted to the Department of Workforce Development for either of the years under audit.

WEST LAFAYETTE PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2021 to December 31, 2022

The contents of this report were discussed on October 19, 2023 with Marra Honeywell, Director, Scott Tracey, Deputy Director, Anastasia Krutulis, President of the Board, and Gale Charlotte, Administrative Assistant.