

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CHURUBUSCO PUBLIC LIBRARY

WHITLEY COUNTY, INDIANA

January 1, 2021 to December 31, 2022



FILED
11/09/2023

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Result and Comment: Internal Controls	4
Exit Conference.....	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Rachel A. Eyermann	01-01-21 to 12-31-23
Treasurer	Jenna Bair Carla Horn	01-01-21 to 12-31-21 01-01-22 to 12-31-23
President of the Library Board	Ralph R. Refeld III Rebecca Mapes	01-01-21 to 12-31-22 01-01-23 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CHURUBUSCO PUBLIC LIBRARY, WHITLEY COUNTY, INDIANA

This report is supplemental to the audit report of the Churubusco 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 Audit Results and Comments that pertain to the Library. It should be read in conjunction with the Financial Statement Audit Report of the Library, which provides our opinions on the Library's financial statement. This report may be found at 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

November 2, 2023

CHURUBUSCO PUBLIC LIBRARY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

There were deficiencies in the internal control system for the Library related to financial transactions and reporting. The Library had not established internal controls, which would include appropriate segregation of duties, over cash and investments, receipts, disbursements including payroll, and financial close and reporting.

Cash and Investments

The Director was responsible for preparing the bank reconciliation and another staff member was to review the reconciliation. There was no documentation provided of an oversight or review process to ensure that the bank reconciliation was properly prepared.

Receipts

The Director was responsible for preparing the receipts and bank deposit and another staff member was to review. There was no documentation provided of an oversight or review process to ensure that the receipts and bank deposits were accurately recorded or deposited.

Disbursements including Payroll

The Director was responsible for issuing claims including payroll, posting, signing, and distributing checks and another staff member was to review. There was no documentation provided of an oversight or review process to ensure that disbursements including payroll were accurately recorded.

Financial Close and Reporting

The Director entered and submitted financial information into the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Report (AFR) and financial statement. There was no documentation of an oversight or review process to ensure that the AFR was accurate prior to submission.

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. . . ."

CHURUBUSCO PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 2, 2023, with Rachel A. Eyermann, Director, and Barbara Maucione, Library Board member.