

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

COMPLIANCE EXAMINATION REPORT

OF

CROWN POINT COMMUNITY PUBLIC LIBRARY

LAKE COUNTY, INDIANA

January 1, 2021 to December 31, 2022



FILED

12/06/2023



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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December 6, 2023

To: The Officials of the Crown Point Community Public Library
Crown Point Community Public Library
Lake County, Indiana

This report is supplemental to the audit report of the Crown Point Community 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 non-compliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for the Crown Point Community 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 Indiana 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

COMPLIANCE EXAMINATION OF
CROWN POINT COMMUNITY PUBLIC LIBRARY
Lake County, Indiana
January 1, 2021 to December 31, 2022

CROWN POINT COMMUNITY PUBLIC LIBRARY

Crown Point, Indiana
January 1, 2021 to December 31, 2022

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CROWN POINT COMMUNITY PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
January 1, 2021 to December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Julie Wendorf	01-01-21 to 12-31-22
President of the Board	Patrick Shuster	01-01-21 to 12-31-22
Treasurer	Rose Ann Kendall	01-01-21 to 12-31-22
Business Manager	Kate Lodovisi	01-01-21 to 12-31-22

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Crown Point Community Public Library

We have examined the Crown Point Community Public Library ("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 District 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 Guidelines Manual For Libraries* applicable to the Library during the period January 1, 2021 to December 31, 2022, as described items 2022-001 through 2022-002 on the following Schedule of Examination Findings and Results.

In our qualified 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
December 1, 2023

CROWN POINT COMMUNITY PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2021 to December 31, 2022

FINDING 2022-001: INTERNAL CONTROLS

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. . . ."*

Condition: During testing, we noted that the Unit did not meet the minimum standards of internal control. Specifically, the Unit did not provide complete listing of disbursements for all years, 2021 and 2022, under audit. We also noted that the Unit did not report all receipts in the AFR, noting that roughly \$25,937 in receipts were not included in the original submission.

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 proper Bank Statements and Reconciliations between September and December of 2022.

CROWN POINT COMMUNITY PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2021 to December 31, 2022

The contents of this report were discussed on December 1, 2023 with Julie Wendorf, Director, Patrick Shuster, President of the Board, Rose Ann Kendall, Treasurer, and Kate Lodovisi, Business Manager.