

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY

WHITE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

07/02/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Tina Emerick Candace K. Wells	01-01-20 to 05-14-21 05-15-21 to 12-31-24
Treasurer	Sharon Bail	01-01-20 to 12-31-24
President of the Library Board	Arthur E. Morgan Thomas Herman Donald Osten	01-01-20 to 12-31-20 01-01-21 to 12-31-22 01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MONTICELLO-UNION TOWNSHIP
PUBLIC LIBRARY, WHITE COUNTY, INDIANA

This report is supplemental to the audit report of the Monticello-Union Township Public Library (Library), for the period from January 1, 2020 to December 31, 2023. 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 Statements Audit Report of the Library, which provides our opinions 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 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

June 11, 2024

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Due to the lack of effective internal controls over the other information required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system, the other information contained the following errors:

Accounts Payable/Accounts Receivable

The Library did not report any Accounts Payable and Receivable activity during the audit period.

Capital Assets

The detailed capital asset listing provided by the Library did not agree with the capital asset information reported in the AFR. The Schedule of Capital Assets was not presented in the Financial Statements Audit Report of the Library.

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. . . ."

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Libraries, Chapter 1)

CONFLICT OF INTEREST

Condition and Context

The Library entered into a contract with, and made payments to, a company for lawn and landscape maintenance. The company was owned by a member of the Library Board. Based upon the circumstances, the Indiana State Board of Accounts would have expected to receive a conflict of interest disclosure for this related-party transaction. There was not one on file during the audit period that covered this matter.

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 35-44.1-1-4 states in part:

". . . (b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or
- (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

(c) It is not an offense under this section if any of the following apply: . . .

- (6) A public servant makes a disclosure that meets the requirements of subsection (d) or (e) and is . . .

(B) appointed by an elected public servant;

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university. . . .

(d) A disclosure must:

- (1) be in writing;
- (2) describe the contract or purchase to be made by the governmental entity;
- (3) describe the pecuniary interest that the public servant has in the contract or purchase;
- (4) be affirmed under penalty of perjury;
- (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
- (6) be filed within fifteen (15) days after final action on the contract or purchase with:
 - (A) the state board of accounts; and
 - (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

Conflict of interest disclosures must be completed on Gateway. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

The attorney for the unit or a private attorney must be consulted in regard to whether a conflict-of-interest disclosure statement must be filed and whether the format of the disclosure is sufficient. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 11, 2024, with Candace K. Wells, Director; Sharon Bail, Treasurer; Donald Osten, President of the Library Board; and Thomas E. Fletcher, Library Board member.