

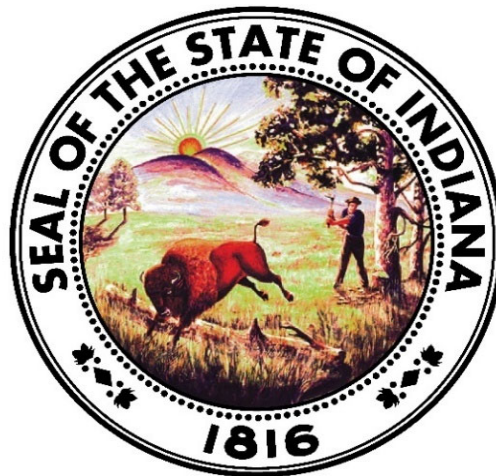
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

SUPPLEMENTAL COMPLIANCE REPORT

OF

PIKE COUNTY, INDIANA

January 1, 2022 to December 31, 2023



**FILED**  
10/07/2024



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Judith Gumbel	01-01-22 to 12-31-24
County Treasurer	Susan Brittain	01-01-22 to 12-31-24
Clerk of the Circuit Court	Lana Griffith	01-01-22 to 12-31-24
County Sheriff	Kent Johnson Jason McKinney	01-01-22 to 12-31-22 01-01-23 to 12-31-24
County Recorder	Jeff Harting	01-01-22 to 12-31-24
President of the Board of County Commissioners	Mark Flint	01-01-22 to 12-31-24
President of the County Council	Jon W. Craig	01-01-22 to 12-31-24



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF PIKE COUNTY, INDIANA

This report is supplemental to the audit report of Pike County (County), for the period from January 1, 2022 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 County. It should be read in conjunction with the Financial Statement Audit Report of the County, which provides our opinions on the County's financial statement. 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 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

September 24, 2024

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COUNTY AUDITOR  
PIKE COUNTY

COUNTY AUDITOR  
PIKE COUNTY  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT - OTHER INFORMATION**

*Condition and Context*

Financial 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 County Auditor had not established effective internal controls over the AFR information entered into Gateway, which resulted in the following errors:

*Accounts Payable and Accounts Receivable*

The County did not report amounts for accounts payable or accounts receivable, nor did they maintain any supporting documentation for accounts payables or accounts receivable.

The County elected not to present the Schedule of Payables and Receivables as part of the Other Information presented in the Financial Statement Audit Report of the County.

*Capital Assets*

The financial information reported for total capital assets was \$35,277,364 at December 31, 2023. The detailed capital asset records, prepared by the asset management company, were \$63,749,212, resulting in an understatement of \$28,471,848.

The County elected not to present the Schedule of Capital Assets as part of the Other Information presented in the Financial Statement Audit Report of the County.

*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:

COUNTY AUDITOR  
PIKE COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

"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. . . ."

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 as set forth in the uniform compliance guidelines. 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](#)."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)



*Pike County Courthouse  
Circa 1970  
Petersburg, Indiana*

Judith E. Gumbel, Pike County Auditor  
801 E. Main Street, Suite 204  
Petersburg, IN 47567  
812-354-6451

October 4, 2024

To Whom It May Concern:

Response to the Pike County 2022-2023 Annual Financial Report - Other Information

*Condition and Context*

*Accounts Payable and Accounts Receivable*

The County did not report amounts for accounts payable or accounts receivable, nor did they maintain any supporting documentation for accounts payable and accounts receivables.

The County elected not to present the Schedule of Payables and Receivables as part of Other Information in the Financial Statement Audit Report.

*County Response:*

The County did not understand that this was supposed to be done. We had documentation from March of 2021, that we were to enter 0 in these spaces on the AFR. It is my understanding that the SBoA shared many times after the point of our communication that the policy was changed. I believe that we have attended all state meetings since this time, but somehow it did not register with myself or any of my staff that this had changed. We did not understand that this was an issue until shortly before our exit conference. We will certainly correct this in the future.

*Capital Assets*

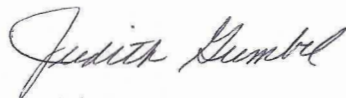
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The County elected not to present the Schedule of Capital Assets as part of Other Information in the Financial Statement Audit Report.

*County Response:*

This situation was submitted to the County shortly before the Exit Conference. The County explained that the County changed asset management companies from the prior year. Both I and our Audit Manager talked with the new asset management company director/owner. He explained that he had used different formulas than the preceding company, but, had since determined the correct formulas and now had the correct values. He wanted to correct the values for 2023, but the Audit Manager stated that the audit had already been completed and that the figures should be corrected in 2024. At that point the County agreed to her request. Therefore, the County will start the year of 2024 with the correct figures on the AFR for 2024.

Sincerely,



Judith Gumbel,

Pike County Auditor

COUNTY AUDITOR  
PIKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2024, with Judith Gumbel, County Auditor; Mark Flint, President of the Board of County Commissioners; Jon W. Craig, President of the County Council; and Misty Brenton, Deputy County Auditor.