

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

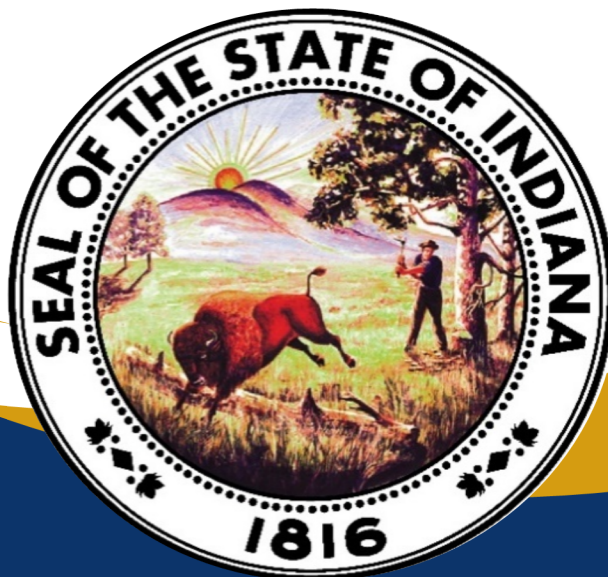
**Paul D. Joyce, CPA
State Examiner**

SUPPLEMENTAL COMPLIANCE REPORT

OF

PULASKI COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED
12/16/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Laura M. Wheeler	01-01-22 to 12-31-24
County Treasurer	Teresa L. Bryant	01-01-22 to 12-31-24
Clerk of the Circuit Court	JoLynn Behny	01-01-22 to 12-31-24
County Sheriff	Jeffery K. Richwine Christopher R. Schramm	01-01-22 to 12-31-22 01-01-23 to 12-31-24
County Recorder	Susan J. Fox Marsha Tetzloff	01-01-22 to 12-31-23 01-01-24 to 12-31-24
President of the Board of County Commissioners	Charles R. Mellon, Jr.	01-01-22 to 12-31-24
President of the County Council	Kenneth Boswell	01-01-22 to 12-31-24



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769
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TO: THE OFFICIALS OF PULASKI COUNTY, INDIANA

This report is supplemental to the audit report of Pulaski 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/.

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

November 21, 2024



COUNTY AUDITOR
PULASKI COUNTY

COUNTY AUDITOR
PULASKI COUNTY
AUDIT RESULT AND COMMENT

MONTHLY AND ANNUAL UPLOADS

A similar comment also appeared in prior Report B59690, entitled *ANNUAL AND MONTHLY UPLOADS*.

Condition and Context

Internal controls were not in place to ensure the County Auditor uploaded the required monthly and annual documents to the Indiana Gateway for Government Units (Gateway) financial reporting system.

The required monthly uploads include the Documentation of Reconciliation of Form 61 between Auditor and Treasurer and Funds Ledger summarizing total receipts, disbursements, and beginning and ending balances by fund. The required annual uploads include the Detail of Receipt Activity, Detail of Disbursement Activity, Current Year Salary Ordinance and Amendments, Annual Vendor History report, Annual Funds Ledger, and Annual Payroll History Report.

The County Auditor did not comply with the directive since the required monthly upload for the Documentation of Reconciliation of the Form 61 was not uploaded to Gateway as required for any month.

In addition, the following noncompliance was noted:

- Of the 24 monthly Funds Ledgers required, 2 were not uploaded.
- The Current Year Salary Ordinance and Amendments were not uploaded for either year.
- Monthly and annual uploads were not made timely throughout the audit period.

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
PULASKI 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. . . ."

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the 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. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

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)

COUNTY AUDITOR
PULASKI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2024, with Laura M. Wheeler, County Auditor; Teresa L. Bryant, County Treasurer; Maurice E. Loehmer, County Commissioner; Kenneth Boswell, President of the County Council; Sheila Hazemi, County Council member; Tim A. Overmyer, County Council member; and Michael T. Tiede, County Council member.

COUNTY SHERIFF
PULASKI COUNTY

COUNTY SHERIFF
PULASKI COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS - SHERIFF

Condition and Context

There were deficiencies in the internal control system of the County Sheriff's Department (Department) related to financial transactions. The Department had not separated incompatible activities related to cash and investments and receipts.

Cash and Investments

The Department had designed an internal control over cash and investments, but the internal control was not properly implemented. One employee prepared the bank reconciliation, and another person reviewed, but no documentation was available that indicated a review or approval process.

Receipts

The Department had designed internal controls over receipts, but the internal controls were not properly implemented. An oversight or review process was not documented which would have ensured the completeness and accuracy of the receipts. The failure to establish these internal controls could have enabled material misstatements to occur and remain undetected.

Criteria

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Pulaski County Sheriff's Office



Chris Schramm, Sheriff

110 East Meridian Street, Winamac, Indiana 46996

E-911 - 1-800-283-3341 - Ph: (574) 946-6655 - Fax: (574) 946-0924

November 22, 2024

RE: Acknowledgement of Decision for Official Response.

This letter will serve as an official response to the stated deficiencies in our Internal Controls process for our Audit referencing January 1, 2022 through December 31, 2023.

As the Sheriff of Pulaski County, I would like to extend my appreciation to the State Board of Accounts for identifying and bringing to our attention an oversight in our internal controls process. Although there was no mal intent and our internal controls themselves were acceptable, we have since addressed your concerns and with your guidance, we now have a corrective plan of action for our internal controls process.

Best Regards,

Pulaski County Sheriff, Chris Schramm

COUNTY SHERIFF
PULASKI COUNTY
EXIT CONFERENCE

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