

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

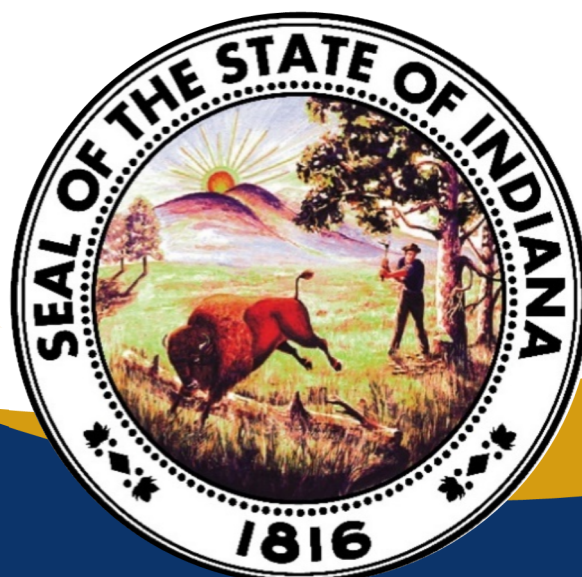
**Paul D. Joyce, CPA  
State Examiner**

SUPPLEMENTAL COMPLIANCE REPORT

OF

BENTON COUNTY, INDIANA

January 1, 2022 to December 31, 2023



**FILED**

02/17/2025



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
County Auditor:	
Audit Result and Comment:	
Annual Financial Report.....	6-7
Exit Conference .....	8
Board of County Commissioners:	
Audit Result and Comment:	
Capital Assets .....	10
Exit Conference .....	11

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Audrey Freeland Beth Budreau	01-01-22 to 12-31-24 01-01-25 to 12-31-25
County Treasurer	Carole Hoff Niccole McGinnis	01-01-22 to 12-31-24 01-01-25 to 12-31-25
Clerk of the Circuit Court	Natalie Kidd Jennifer Greenberg	01-01-22 to 12-31-22 01-01-23 to 12-31-25
County Sheriff	Donald Munson John Cox	01-01-22 to 12-31-22 01-01-23 to 12-31-25
County Recorder	Glenda Wallpe	01-01-22 to 12-31-25
President of the Board of County Commissioners	Bryan Berry Phil McGinnis	01-01-22 to 12-31-24 01-01-25 to 12-31-25
President of the County Council	Robert D. Sloniger James Schoen	01-01-22 to 01-25-23 01-26-23 to 12-31-25



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF BENTON COUNTY, INDIANA

This report is supplemental to the audit report of Benton 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 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

January 29, 2025



COUNTY AUDITOR  
BENTON COUNTY

COUNTY AUDITOR  
BENTON COUNTY  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT**

A similar comment appeared in prior Reports B49049, B53638, and B59781, entitled *FINANCIAL TRANSACTIONS AND REPORTING*.

*Condition and Context*

Financial, Supplemental, and Other Information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system. The County had established a review process over the information entered into the AFR; however, it did not prevent, detect, or correct all aspects, which resulted in the following errors:

2022

- The Recorders Cashbook, Prosecutors Bad Check Program, County Home Checking, and BC Probation - Juvenile Trust funds were erroneously reported for 2022.

2023

- The TREASURER - AFTER SETLMNT COLL fund was omitted, understating the beginning cash and investments balance, receipts, disbursements, and ending cash and investments balance by \$496,149, \$418,116, \$498,149, and \$416,116, respectively.
- The SHERIFF INMATE TRUST fund was omitted, understating the beginning cash and investments balance, receipts, disbursements, and ending cash and investments balance by \$8,770, \$108,306, \$114,184, and \$2,892, respectively.
- The JAIL COMMISSARY fund was omitted, understating the beginning cash and investments balance, receipts, disbursements, and ending cash and investments balance by \$11,007, \$89,092, \$90,770, and \$9,329, respectively.
- The CLERKS TRUST fund was omitted, understating the beginning cash and investments balance, receipts, disbursements, and ending cash and investments balance by \$242,783, \$867,823, \$853,809, and \$256,797, respectively.
- The LIT-Economic Development (EDIT) fund was incorrectly reported in the LLIT - Economic Development fund, understating receipts, disbursements, and ending cash and investments balance by \$616,801, \$587,043, and \$29,758, respectively.
- The Payroll Clearing receipts and ending cash and investments balance were each understated by \$1,292,073.

COUNTY AUDITOR  
BENTON COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

- The LIT - Economic Development receipts, disbursements, and ending cash and investments balance were overstated by \$616,801, \$587,043, and \$29,758, respectively.
- The BC GOV Medical Plan receipts and ending cash and investments balance were each understated by \$717,288.
- The EOC - COVID 19 - 2020 receipts and disbursements were each overstated by \$2,157,127.

Audit adjustments were proposed, accepted by the County, and made to the financial statement and to the Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis presented as Other Information in the Financial Statement Audit Report of the County and to the financial data in the AFR.

*Criteria*

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](#)."

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. . . ."

COUNTY AUDITOR  
BENTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 29, 2025, with Beth Budreau, County Auditor; Nicole McGinnis, County Treasurer; Audrey Freeland, former County Auditor; Phil McGinnis, President of the Board of County Commissioners; Shawn Leuck, County Commissioner; Katrina Schutter, County Council member; and Lori Cyr, County Council member.

BOARD OF COUNTY COMMISSIONERS  
BENTON COUNTY

BOARD OF COUNTY COMMISSIONERS  
BENTON COUNTY  
AUDIT RESULT AND COMMENT

**CAPITAL ASSETS**

The same comment also appeared in prior Report B59781.

*Condition and Context*

The County had not adopted a capital asset policy that details a capitalization threshold.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detailed listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

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. . . ."

BOARD OF COUNTY COMMISSIONERS  
BENTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 29, 2025, with Beth Budreau, County Auditor; Nicole McGinnis, County Treasurer; Audrey Freeland, former County Auditor; Phil McGinnis, President of the Board of County Commissioners; Shawn Leuck, County Commissioner; Katrina Schutter, County Council member; and Lori Cyr, County Council member.