

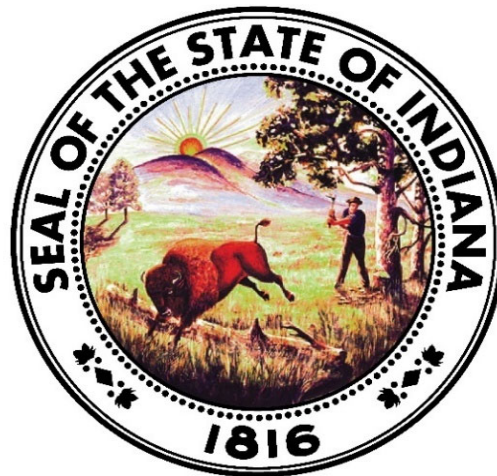
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

PUTNAM COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

09/26/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kristina Berish	01-01-23 to 12-31-24
County Treasurer	Katherine Minnick	01-01-23 to 12-31-24
Clerk of the Circuit Court	Tracy L. Bridges	01-01-23 to 12-31-24
County Sheriff	Jerrold Baugh	01-01-23 to 12-31-24
County Recorder	Heather L. Gilbert	01-01-23 to 12-31-24
President of the Board of County Commissioners	Thomas P. Helmer David Berry	01-01-23 to 12-31-23 01-01-24 to 12-31-24
President of the County Council	Stephanie Campbell	01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PUTNAM COUNTY, INDIANA

This report is supplemental to the audit report of Putnam County (County), for the period from January 1, 2023 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 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 12, 2024

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COUNTY TREASURER
PUTNAM COUNTY

COUNTY TREASURER
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS

SUPPLEMENTAL ANNUAL REPORT COUNTY TREASURER

A similar comment appeared in prior Reports B59900 and 000000225S, entitled *INTERNAL CONTROLS*.

Condition and Context

The internal controls established by the County Treasurer's office for the submission of the County Treasurer's Supplemental Annual Report (CAR-1) were not effective.

The receipt and disbursement amounts reported on the County Treasurer's CAR-1 were inaccurate. Receipts were overstated by \$43,077,828, and disbursements were overstated by \$43,078,728.

Adjustments were proposed, accepted by management of the County, and made to the financial statement presented in the Financial Statement Audit Report of the County.

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 supplemental annual report forms are submitted by other county offices and departments to be used by the county auditor to provide complete financial information for the annual report by reporting financial activity that is maintained outside of the county auditor's system. The supplemental annual reports are only to be submitted with financial activity that is not eventually accounted for in the county's general ledger system. . . .

COUNTY TREASURER
PUTNAM COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The county treasurer will reflect on the supplemental annual report as the beginning balance the previous year's ending balance. The disbursements column will be the same as the beginning balance. This has the effect of reversing out the prior year activity. The amount for receipts and ending balance is arrived at by taking the ending balance on the treasurer's daily cash sheet for the current December 31st [st] balance of taxes to be settled + total other sources. The county auditor will reflect these amounts as the beginning balance, receipt, disbursement, and ending balance on the annual report under the after settlement collections fund. This is the only fund that provides the timing difference of financial activity that has not yet been recorded in the auditor's general ledger system.

(County Bulletin and Uniform Compliance Guidelines, January 2014).

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 TREASURER
PUTNAM COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2024, with Katherine Minnick, County Treasurer; Evelyn Williams, Deputy County Auditor; David Berry, County Commissioner; and Stephanie Campbell, President of the County Council.