

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WATERLOO - GRANT TOWNSHIP PUBLIC LIBRARY

DEKALB COUNTY, INDIANA

January 1, 2014 to December 31, 2017



**FILED**  
06/07/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Linda Dunn	01-01-14 to 12-31-15
	Shaun Whiteaker	01-01-16 to 03-19-18
	Jennifer Hernandez (interim)	03-20-18 to 12-31-18
Treasurer	Roderick Pressler	01-01-14 to 12-31-18
President of the Library Board	Susan Neal	01-01-14 to 12-31-14
	Darryl Whittington	01-01-15 to 12-31-15
	Susan Neal	01-01-16 to 03-06-17
	(Vacant)	03-07-17 to 04-02-17
	Mavis Sutton	04-03-17 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE WATERLOO - GRANT TOWNSHIP  
PUBLIC LIBRARY, DEKALB COUNTY, INDIANA

This report is supplemental to our audit report of the Waterloo - Grant Township Public Library (Library), for the period from January 1, 2014 to December 31, 2017. 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 our Financial Statements Report of the Library, which provides our opinions on the Library's financial statements. 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.

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

May 3, 2018

WATERLOO - GRANT TOWNSHIP PUBLIC LIBRARY  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS OVER CASH**

The Library bank accounts were being reconciled; however, there was no secondary review and approval of the bank reconcilements. Internal control procedures over cash were, therefore, considered inadequate.

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. . . ."

**TRAINING ON INTERNAL CONTROL STANDARDS**

Internal control standards and procedures had been developed by the Library; however, personnel of the Library had not received training on internal control standards.

Indiana 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

WATERLOO - GRANT TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on May 3, 2018, with Roderick Pressler, Treasurer; Mavis Sutton, President of the Library Board; Rick Roark, Library Board member; and Jennifer Hernandez, Interim Director.