

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

BROWN COUNTY PUBLIC LIBRARY

BROWN COUNTY, INDIANA

January 1, 2017 to December 31, 2017



FILED
07/31/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stori Snyder	01-01-17 to 12-31-18
Treasurer	Lila Johnson	01-01-17 to 12-31-18
President of the Library Board	Kathleen Roberts	01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE BROWN COUNTY PUBLIC LIBRARY, BROWN COUNTY, INDIANA

This report is supplemental to our audit report of the Brown County Public Library (Library), for the period from January 1, 2017 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 Statement Audit Report of the Library, which provides our opinions on the Library's financial statement and federal program compliance. 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.

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

June 14, 2018

BROWN COUNTY PUBLIC LIBRARY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Internal controls over the receipting, recording, and accounting for the financial activities were insufficient over receipts and payroll transactions.

Receipts

There was no segregation of duties over receipting. The Treasurer receipted into the system, reconciled daily receipts, created the deposit slip, and took the deposit to the bank. There was no other review, oversight, or approval processes implemented.

Payroll

The Library had not established controls to verify and approve hours worked by Library employees. The Library completed the Payroll Schedule and Voucher (General Form No. 99) for each payroll based on time card information; however, the time cards were not certified by the Director each pay, but rather on a monthly basis.

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. . . ."

BROWN COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2018, with Stori Snyder, Director, and Kathleen Roberts, President of the Library Board.