

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

RUSH COUNTY, INDIANA

January 1, 2016 to December 31, 2017



FILED
02/15/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Mary Ann Beard	01-01-13 to 12-31-16
	Jodi Harr	01-01-17 to 12-31-20
County Treasurer	Cindra Humphrey	01-01-13 to 12-31-20
Clerk of the Circuit Court	Deborah Richardson	01-01-13 to 12-31-16
	Angela Buckley	01-01-17 to 12-31-20
County Sheriff	James Cowan	01-01-15 to 12-31-18
	Allan Rice	01-01-19 to 12-31-22
County Recorder	Kevin Spilman	01-01-15 to 12-31-22
President of the Board of County Commissioners	Bruce Levi	01-01-16 to 12-31-16
	Paul Wilkinson	01-01-17 to 12-31-18
	Mark Bacon	01-01-19 to 12-31-19
President of the County Council	Gerald Mohr	01-01-16 to 12-31-18
	Charles A. Smith	01-01-19 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF RUSH COUNTY, INDIANA

This report is supplemental to our audit report of Rush County (County), for the period from January 1, 2016 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 County. It should be read in conjunction with our Financial Statement Audit Report of the County, which provides our opinion 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.

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

February 6, 2019

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COUNTY TREASURER
RUSH COUNTY

COUNTY TREASURER
RUSH COUNTY
AUDIT RESULT AND COMMENT

FINANCIAL TRANSACTIONS AND REPORTING

The County Treasurer was responsible for performing the reconciliation of the depository account balances with the record balance. There were no documented controls in place to prevent, or detect and correct, errors in the reconciliation such as an oversight, review, or approval process of the bank reconciliements.

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
RUSH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 6, 2019, with Cindra Humphrey, County Treasurer; Charles A. Smith, President of the County Council; and Mark Bacon, President of the Board of County Commissioners.

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COUNTY AUDITOR
RUSH COUNTY

COUNTY AUDITOR
RUSH COUNTY
AUDIT RESULT AND COMMENT

FINANCIAL TRANSACTIONS AND REPORTING

The County Auditor's office is responsible for inputting the financial information into the County's Annual Financial Report (AFR) within the Indiana Gateway for Government Units financial reporting system. No evidence was presented for audit to indicate someone other than the person entering the financial information into the County's AFR reviewed the Annual Report to ensure accuracy and completeness prior to submission.

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COUNTY AUDITOR
RUSH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 6, 2019, with Jodi Harr, County Auditor; Charles A. Smith, President of the County Council; and Mark Bacon, President of the Board of County Commissioners.

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CLERK OF THE CIRCUIT COURT
RUSH COUNTY

CLERK OF THE CIRCUIT COURT
RUSH COUNTY
AUDIT RESULT AND COMMENT

FINANCIAL TRANSACTIONS AND REPORTING

The Clerk of the Circuit Court (Clerk) had not separated incompatible activities related to receipts and disbursements. Several employees of the Clerk's office had the ability to collect funds and post receipts, and had the ability to generate checks, which are posted automatically by the system to the financial records. There was no documented oversight, review, or approval process in place to prevent, or detect and correct, errors in the receipting and disbursing transactions.

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CLERK OF THE CIRCUIT COURT
RUSH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 6, 2019, with Angela Buckley, Clerk of the Circuit Court; Charles A. Smith, President of the County Council; and Mark Bacon, President of the Board of County Commissioners.