

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY

ST. JOSEPH COUNTY, INDIANA

January 1, 2016 to December 31, 2018



**FILED**  
07/23/2019



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### SCHEDULE OF OFFICIALS

| <u>Office</u>                  | <u>Official</u> | <u>Term</u>          |
|--------------------------------|-----------------|----------------------|
| Director                       | Donna Meeks     | 01-01-16 to 12-31-19 |
| Comptroller/Treasurer          | Linda Doshi     | 01-01-16 to 09-18-16 |
|                                | Brigette Gray   | 09-19-16 to 10-31-17 |
|                                | Lisa Book       | 11-01-17 to 12-31-19 |
| President of the Library Board | Marcia Wells    | 01-01-16 to 12-31-17 |
|                                | Roland Morin    | 01-01-18 to 12-31-18 |
|                                | Marcia Wells    | 01-01-19 to 12-31-19 |



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE MISHAWAKA-PENN-HARRIS  
PUBLIC LIBRARY, ST. JOSEPH COUNTY, INDIANA

This report is supplemental to our audit report of the Mishawaka-Penn-Harris Public Library (Library), for the period from January 1, 2016 to December 31, 2018. 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 Audit Report of the Library, which provides our opinion 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 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 5, 2019

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS**

There were several deficiencies in the internal controls system of the Library related to financial transactions and reporting.

*Receipts*

Receipts were entered into the Keystone financial accounting software by the Administrative Assistant without an oversight, approval, or review process in place to ensure the accuracy of the receipts.

*Disbursements/Payroll*

Disbursements were entered into Keystone by the Administrative Assistant without an oversight, approval, or review process in place to ensure the accuracy of the disbursements. The Director of Operations performed the payroll upload into the Millennium payroll software without an oversight, approval, or review process in place to ensure the accuracy of payroll disbursements.

*Financial Reporting*

The Comptroller ran the year-end reports and transmitted the information into the Indiana Gateway for Government Units financial reporting system, which was the source for the Annual Financial Reports and financial statements without a documented oversight, approval, or review process in place to ensure the accuracy of the information submitted.

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. . . ."

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on June 5, 2019, with Donna Meeks, Director; Lisa Book, Comptroller/Treasurer; Marcia Wells, President of the Library Board; Eric S. Mims, Director of Patron Services; and Dena Wargo, Director of Operational Services.