

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CRAWFORDSVILLE DISTRICT PUBLIC LIBRARY

MONTGOMERY COUNTY, INDIANA

January 1, 2017 to December 31, 2018



FILED
10/09/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Larry Hathaway	01-01-17 to 12-06-18
	Jodie Steelman Wilson (interim)	12-07-18 to 07-07-19
	Theresa Tyner	07-08-19 to 12-31-19
Treasurer	Ronald Astin	07-01-16 to 06-30-18
	Brian Keim	07-01-18 to 06-30-19
	Phil Littell	07-01-19 to 06-30-20
President of the Library Board	Cindy Smith	07-01-16 to 06-30-18
	Pat Stull	07-01-18 to 06-30-19
	Brian Keim	07-01-19 to 06-30-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE CRAWFORDSVILLE DISTRICT
PUBLIC LIBRARY, MONTGOMERY COUNTY, INDIANA

This report is supplemental to our audit report of the Crawfordsville District Public Library (Library), for the period from January 1, 2017 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 Statement Audit Report of the Library, which provides our opinion on the Library'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.

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

August 21, 2019

CRAWFORDSVILLE DISTRICT PUBLIC LIBRARY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

Deficiencies in the internal control system of the Library related to financial transactions and reporting were noted. We believe the following deficiencies constitute a material weakness:

Cash and Investments Balances

The monthly bank reconcilements were completed by an outside accountant. The reconcilements were found to be accurate and timely, but there was no audit evidence presented that the reconcilements were reviewed by Library staff. The lack of oversight and review could have allowed misstatements to occur and remain undetected.

Submission of Annual Financial Reports

The Library's Annual Financial Reports (AFR) for years 2017 and 2018 were submitted in Indiana Gateway for Government Units financial reporting system by the Library Director. The AFRs were found to be accurate; however, the 2017 AFR was submitted late. There was no audit evidence presented that the AFR submissions were verified and reviewed by a second party. The lack of oversight and review allowed the 2017 Annual Financial Report to be submitted eleven days late and potentially could have allowed inaccuracies to be reported and remain undetected.

Criteria

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, information and communication, and monitoring. 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. . . ."

CRAWFORDSVILLE DISTRICT PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2019, with Theresa Tyner, Director; Jodie Steelman Wilson, Assistant Director; and Phil Littell, Treasurer.