

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PUTNAM COUNTY AIRPORT AUTHORITY

PUTNAM COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
10/15/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Result and Comment: Internal Controls	4
Exit Conference.....	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rex Eaton	01-01-15 to 12-31-19
President of the Airport Authority Board	Duane Skoog	01-01-15 to 12-31-15
	Dr. Perry Wainman	01-01-16 to 12-31-19



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 PUTNAM COUNTY AIRPORT AUTHORITY, PUTNAM COUNTY, INDIANA

This report is supplemental to our audit report of the Putnam County Airport Authority (Authority), for the period from January 1, 2015 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 Authority. It should be read in conjunction with our Financial Statements Audit Report of the Authority, which provides our opinion on the Authority'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 29, 2019

PUTNAM COUNTY AIRPORT AUTHORITY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

The Authority did not separate incompatible activities related to cash and investments and financial close and reporting. There was no segregation of duties, such as a documented oversight, review, or approval process regarding the reconciliation of cash. Additionally, there was no documented oversight, review, or approval of the information entered into the Indiana Gateway for Government Units financial reporting system by the Authority for the Annual Financial Report. Control activities should be in place to reduce the risks of errors in financial reporting.

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. 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. . . ."

PUTNAM COUNTY AIRPORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2019, with Rex Eaton, Treasurer; Dr. Perry Wainman, President of the Airport Authority Board; and Jim Spore, Airport Authority Board member.