

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

COMPLIANCE REPORT
OF

ELKHART COUNTY SOLID WASTE
MANAGEMENT DISTRICT
ELKHART COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
11/19/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Timothy Neese	01-01-15 to 12-31-15
	Tom Byers	01-01-16 to 12-31-16
	John Bowers	01-01-17 to 12-31-19
Treasurer	Jackie Meyers	01-01-15 to 09-13-16
	Jodi Jones	09-14-16 to 12-31-16
	John Bowers	01-01-17 to 12-31-19
Chairman of the District Board	Frank Lucchese	01-01-15 to 12-31-16
	Tom Wilson	01-01-17 to 12-31-17
	Frank Lucchese	01-01-18 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ELKHART COUNTY SOLID WASTE
MANAGEMENT DISTRICT, ELKHART COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Elkhart County Solid Waste Management District (District), Elkhart County, for the period of January 1, 2015 to December 31, 2018, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The 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.

The Schedule of Cash and Investment Balances, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

October 16, 2019

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OTHER INFORMATION - UNAUDITED

The District's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the District's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

ELKHART COUNTY SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and Investments 12-31-18
Solid Waste Management Fund	\$ 1,342,262
Resource Reutilization Incentive Program (Rrip)	<u>97,569</u>
Total	<u>\$ 1,439,831</u>

ELKHART COUNTY SOLID WASTE MANAGEMENT DISTRICT
RESULTS AND COMMENTS

CONDITION OF RECORDS

Condition and Context

Annual Financial Report

The District was unable to provide financial reports for the period of August 2016 to December 2016 to substantiate the amounts reported in Gateway; however, the District was able to provide financial reports to substantiate amounts reported for all other years within the engagement period.

Bank Reconcilements

The District is performing bank reconcilements; however, supporting documentation was not always maintained during the engagement period. The District was unable to provide one of the December 31, 2016 bank statements to verify the year-end reconciliation.

Criteria

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

ADOPTION OF INTERNAL CONTROL STANDARDS

Condition and Context

The District had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision . . ."

ELKHART COUNTY SOLID WASTE MANAGEMENT DISTRICT
RESULTS AND COMMENTS
(Continued)

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

District employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the District, had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

Criteria

Indiana 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The District certified on Gateway that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e) in 2016; however, during the engagement, there was no documentation to support those certifications made in Gateway.

Context

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

ELKHART COUNTY SOLID WASTE MANAGEMENT DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2019, with John Bowers, Director, and Frank Lucchese, Chairman of the District Board.

Elkhart County

SOLID WASTE MANAGEMENT DISTRICT

OFFICIAL RESPONSE

October 23, 2019

State Board of Accounts
302 W Washington St, Room E 418
Indianapolis, IN 46204-2765

Pursuant to the current 2015-2018 audit, it has come to our attention that there are a couple areas that we need to address and implement training procedures.

Finding – Adoption of Internal Control Standards

Response – We concur with the finding

We will adopt an internal control policy in early 2020

Finding – Condition of Records

Response – We concur with the finding

While we were unable to find all documentation for 2015 and 2016, our record-keeping and supporting documentation files were in good order in 2017 and 2018. We will continue to maintain adequate records in future years.

Finding – Certification on Internal Control Standards

Response – We concur with the finding

After we adopt Internal Control Standards, we will maintain documentation that the standards have been adopted.

Finding – Training on Internal Control Standards

Response – We concur with the finding

After we adopt Internal Control Standards, we will ensure our personnel receive training on those internal controls.

Sincerely,

John Bowers, Director

