

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

OSGOOD-CENTER TOWNSHIP PUBLIC LIBRARY

RIPLEY COUNTY, INDIANA

January 1, 2015 to December 31, 2018



**FILED**  
12/10/2019



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>
Director	Kimberly M. Porter	01-01-15 to 01-05-18
	Vicki Butz (interim)	01-07-18 to 04-06-18
	Mark Mellang	04-09-18 to 12-31-19
Treasurer	Richard Parks	01-01-15 to 12-31-19
President of the Library Board	Sandra Gloyd	01-01-15 to 05-26-15
	Gene Pitts	05-27-15 to 01-31-17
	Jill Jansing	02-01-17 to 01-23-19
	Debbie Carroll	01-24-19 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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE OSGOOD-CENTER TOWNSHIP  
PUBLIC LIBRARY, RIPLEY COUNTY, INDIANA

This report is supplemental to our audit report of the Osgood-Center Township Public Library (Library), 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 Library. It should be read in conjunction with our Financial Statement Audit Report of the Library, which provides our opinions on the Library's financial statement. 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

November 25, 2019

OSGOOD-CENTER TOWNSHIP PUBLIC LIBRARY  
AUDIT RESULT AND COMMENT

***INTERNAL CONTROLS***

There were deficiencies in the internal control system of the Library related to financial transactions and reporting. The Library had not separated incompatible activities related to financial close and reporting. The failure to establish these controls could enable material misstatements to occur and remain undetected.

*Financial Close and Reporting*

One individual entered the Library's financial information into the Indiana Gateway for Government Units financial reporting system, which was the source for the Annual Financial Report and financial statements. The Library had not implemented a system of oversight, review, or approval process.

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. . . ."

OSGOOD-CENTER TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on November 25, 2019, with Mark Mellang, Director, and Richard Parks, Treasurer.