

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

OHIO COUNTY, INDIANA

January 1, 2017 to December 31, 2018



**FILED**  
12/17/2019



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Debra A. Cappel Amy R. Hochstrasser	01-01-15 to 12-31-18 01-01-19 to 12-31-22
County Treasurer	Yvonne Walton	01-01-17 to 12-31-20
Clerk of the Circuit Court	Jamie Stegemiller	01-01-17 to 12-31-20
County Sheriff	Glen Potts	01-01-15 to 12-31-22
County Recorder	Doris Young	01-01-15 to 12-31-22
President of the Board of County Commissioners	Connie J. Brown	01-01-17 to 12-31-19
President of the County Council	Tamara J. Elbright	01-01-17 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF OHIO COUNTY, INDIANA

This report is supplemental to our audit report of Ohio County (County), 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 County. It should be read in conjunction with our Financial Statements Audit Report of the County, which provides our opinion on the County'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 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.

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

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

October 29, 2019

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COUNTY AUDITOR  
OHIO COUNTY

COUNTY AUDITOR  
OHIO COUNTY  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

A similar comment also appeared in prior Report B49602.

The County Auditor's office had not separated incompatible activities related to financial close and reporting. One individual prepared and submitted the financial information into the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Report and financial statements. There were no controls in place, such as an oversight, review, or approval process, to verify the accuracy of the financial information prior to submission.

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. . . ."

COUNTY AUDITOR  
OHIO COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 29, 2019, with Amy R. Hochstrasser, County Auditor; Debra A. Cappel, former County Auditor; Connie J. Brown, President of the Board of County Commissioners; and Tamara J. Elbright, President of the County Council.

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COUNTY TREASURER  
OHIO COUNTY

COUNTY TREASURER  
OHIO COUNTY  
AUDIT RESULT AND COMMENT

***INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

The County Treasurer's office had not separated incompatible activities related to cash and investments. One employee was responsible for performing the reconciliation of the depository account balance to the record balance. There were no controls in place, such as an oversight, review, or approval process, of the bank reconciliations.

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COUNTY TREASURER  
OHIO COUNTY  
EXIT CONFERENCE

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CLERK OF THE CIRCUIT COURT  
OHIO COUNTY

CLERK OF THE CIRCUIT COURT  
OHIO COUNTY  
AUDIT RESULT AND COMMENT

***INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

The Clerk of the Circuit Court's office had not separated incompatible activities related to cash and investments, receipts, and disbursements.

*Cash and Investments*

One employee was responsible for performing the reconciliation of the depository account balance with the record balance. There were no controls in place, such as an oversight, review, or approval process, of the bank reconciliations.

*Receipts*

Employees responsible for collecting receipts were also sometimes responsible for balancing the cash drawer and preparing and making the bank deposits. There was not adequate segregation of duties in place, such as an oversight, review, or approval process.

*Disbursements*

One individual was primarily responsible for posting and printing checks, and also had access to the Clerk of the Circuit Court's signature stamp to sign checks. There was no control in place, such as an oversight, review, or approval process.

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CLERK OF THE CIRCUIT COURT  
OHIO COUNTY  
EXIT CONFERENCE

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