

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

HUNTINGTON COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
05/13/2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
County Sheriff:	
Audit Result and Comment:	
Internal Controls	6
Exit Conference	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Jill Landrum	01-01-19 to 12-31-22
County Treasurer	Paula K. Farley	01-01-17 to 12-31-20
Clerk of the Circuit Court	Shelley Septer	01-01-19 to 12-31-22
County Sheriff	Christian E. Newton	01-01-19 to 12-31-22
County Recorder	Vicki G. Pearson	01-01-19 to 12-31-22
President of the Board of County Commissioners	Larry Buzzard Tom Wall	01-01-19 to 12-31-19 01-01-20 to 12-31-20
President of the County Council	Kendall Mickley Ron Kline	01-01-19 to 12-31-19 01-01-20 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HUNTINGTON COUNTY, INDIANA

This report is supplemental to our audit report of Huntington County (County), for the period from January 1, 2019 to December 31, 2019. 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 Statement Audit Report of the County, which provides our opinions on the County'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

May 6, 2020

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COUNTY SHERIFF
HUNTINGTON COUNTY

COUNTY SHERIFF
HUNTINGTON COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

A similar comment also appeared in prior Report B53285.

Condition and Context

There was a lack of segregation of duties over disbursements for the County Sheriff's Commissary fund. The County Sheriff's Matron was responsible for processing the commissary claims and the County Sheriff was responsible for reviewing and signing them. Although controls were in place for the County Sheriff to approve the claims, the controls did not detect any issues in advance of payment.

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. . . ."

COUNTY SHERIFF
HUNTINGTON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 1, 2020, with Christian E. Newton, County Sheriff; and Karen Poling, County Sheriff Matron.

The contents of this report were discussed on May 6, 2020, with Tom Wall, President of the Board of County Commissioners; Ron Kline, President of the County Council; Phil Hibbert, County Council member; Keith Eller, County Council member; Kittie Keiffer, County Council member; and Terry Miller, County Council member.