

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WHITE COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
08/17/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Gayle E. Rogers	01-01-19 to 12-31-20
County Treasurer	Jill Guingrich	01-01-19 to 12-31-20
Clerk of the Circuit Court	Laura Cosgray	01-01-19 to 12-31-20
County Sheriff	William Brooks	01-01-19 to 12-31-20
County Recorder	Lori Austin	01-01-19 to 12-31-20
President of the Board of County Commissioners	John Heimlich	01-01-19 to 12-31-20
President of the County Council	Raymond L. Kramer Jr.	01-01-19 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WHITE COUNTY, INDIANA

This report is supplemental to our audit report of White 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 opinion 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 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

July 1, 2020

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COUNTY AUDITOR
WHITE COUNTY

COUNTY AUDITOR
WHITE COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

There were deficiencies in the internal control system of the County related to financial transactions and reporting. The County had not established a system of internal controls or separated incompatible activities related to the payment of payroll withholdings. There was no process in place for the Board of County Commissioners to review the accuracy and propriety of payments made to vendors from payroll withholdings, deductions, and benefits retained from employees' wages. The County did not include payroll withholding vendor checks on the claims docket that was approved by the Board of County Commissioners for the audit period.

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. . . ."

APPROVAL OF CLAIMS

Condition and Context

The County did not include payroll withholding vendor checks on the claims docket that was approved by the Board of County Commissioners for the audit period.

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."



Gayle E. Rogers
White County Auditor
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OFFICIAL RESPONSE

Date: July 1, 2020

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

RE: INTERNAL CONTROLS

White County has strong internal controls in place regarding the payment of claims and segregation of duties. Claims are compiled by the clerical staff in a department then reviewed and signed by the department head; the claim is then submitted to the county auditor's office for processing; it is entered into the financial system by the deputy auditors then audited by the county auditor; the claims report is then submitted to the county commissioners for approval to pay; following payment a report is sent to the clerical staff and department head of each department for their review to confirm all their claims were processed. Each and every claim is reviewed by the initiating department, the deputy auditors, the auditor, the commissioners and a final review by the initiating department. White County is compliant with the Uniform Internal Control Standards for Indiana Political Subdivisions as stated in the manual.

RE: APPROVAL OF CLAIMS

The payroll benefits are approved for payment in the gross payroll approval, just as any other withholding. None of the other withholdings require a second approval by the Commissioners for payment. These funds are in a liability account and paid monthly.

Gayle E. Rogers
White County Auditor

COUNTY AUDITOR
WHITE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 1, 2020, with Gayle E. Rogers, Auditor; John Heimlich, President of the Board of County Commissioners; David Diener, County Commissioner; and Raymond L. Kramer Jr., President of the County Council.