

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WAYNE COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
09/16/2020



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Kimberly A. Walton	01-01-19 to 12-31-20
County Treasurer	Cathy Williams	01-01-19 to 12-31-20
Clerk of the Circuit Court	Debra Berry	01-01-19 to 12-31-20
County Sheriff	Randy Retter	01-01-19 to 12-31-20
County Recorder	Debby Resh	01-01-19 to 12-31-20
President of the Board of County Commissioners	Kenneth E. Paust	01-01-19 to 12-31-20
President of the County Council	Jeffrey C. Plasterer	01-01-19 to 12-31-20



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WAYNE COUNTY, INDIANA

This report is supplemental to our audit report of Wayne 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/](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

June 4, 2020

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COUNTY AUDITOR  
WAYNE COUNTY

COUNTY AUDITOR  
WAYNE COUNTY  
AUDIT RESULT AND COMMENT

***CAPITAL ASSETS***

*Condition and Context*

During our audit, it came to our attention that the capital asset listing had not been properly maintained. There was no procedure for reporting capital asset deletions for removal from the detail listing, and no physical inventory was taken.

*Criteria*

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

COUNTY AUDITOR  
WAYNE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on June 4, 2020, with Kimberly A. Walton, County Auditor; Kenneth E. Paust, President of the Board of County Commissioners; Jeffrey C. Plasterer, President of the County Council; Gerald E. Saunders, County Council member; and Ronald L. Cross, County Attorney.

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CLERK OF THE CIRCUIT COURT  
WAYNE COUNTY

CLERK OF THE CIRCUIT COURT  
WAYNE COUNTY  
AUDIT RESULT AND COMMENT

**BANK ACCOUNT RECONCILIATIONS - CLERK TRUST**

The same comment appeared in prior Report B53444.

*Condition and Context*

Adequate internal controls over the Clerk Trust cash were not in place during 2019. There were no procedures in place to ensure that monthly bank reconciliations were being performed.

Bank account reconciliations for the Clerk Trust were not presented for audit for all of 2019. No information was provided for outstanding checks or other reconciling items. Based on the limited information available for audit, there was an unidentified variance of \$141,153 showing the bank long.

*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. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CLERK OF THE CIRCUIT COURT  
WAYNE COUNTY  
EXIT CONFERENCE

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The contents of this report were also discussed on June 4, 2020, with Debra Berry, Clerk of the Circuit Court.