

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION

PORTER COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
09/30/2020

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|--|--|
| Executive Director | Ty Warner | 01-01-19 to 12-31-20 |
| Chief Financial Officer | Daria Sztaba (Vacant) Talaya Jones | 01-01-19 to 07-12-19 07-13-19 to 08-14-19 08-15-19 to 12-31-20 |
| Chair of the Board of Commissioners | Diane Noll Michael W. Griffin | 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 THE NORTHWESTERN INDIANA REGIONAL
PLANNING COMMISSION, PORTER COUNTY, INDIANA

This report is supplemental to our audit report of the Northwestern Indiana Regional Planning Commission (Commission), 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 Commission. It should be read in conjunction with our Financial Statement Audit Report of the Commission, which provides our opinions on the Commission'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

September 17, 2020

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

All the parts of the Annual Financial Report (AFR) were not prepared and uploaded to the Indiana Gateway for Government Units financial reporting system as required by February 29, 2020. The Commission prepares its financial report on the Generally Accepted Accounting Principles (GAAP) basis. This financial report includes: financial statements, notes to the financial statements, Required Supplemental Information (RSI), and Supplemental Information (SI). The audit of 2019 began on June 9, 2020. All parts of the financial report due February 29, 2020, were again requested on June 10, 2020. The GAAP financial statements and notes were prepared on June 14, 2020, and received for audit on June 27, 2020. Most RSI and SI were received on July 26 and July 27, 2020. The final part of RSI called the Management's Discussion and Analysis, was received on August 5, 2020, 158 days after the AFRs were due.

The financial statements presented for audit had numerous errors; however, none of the errors caused significant changes to the financial statements. Examples of errors found include: use of cents that made math calculations incorrect, problems with amounts not agreeing between statements, not separately presenting prepaid items, not separately presenting payroll and withholdings payable, presenting last year's amount for deferred outflows of resources deferred pensions, beginning balances not agreeing with the prior audited financial statements' ending balances, presenting a fund balance for a fund as both restricted and as unassigned, formulas that were incorrect, incorrect wording in the reconciliation section of the statement, and formatting issues. These errors caused additional audit time to document and request audit adjustments. Additional internal controls should be implemented to catch and correct these errors prior to submission of the annual financial statements in a timely manner.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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. . . ."



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September 17,2020

State Board of Accounts
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RE: NIRPC Official Response to Exit Conference Results and Comments

As Chief Financial Officer of NIRPC, I sincerely appreciate the patience that was shown by the State Board Accounts throughout this 2019 audit. As we have discussed and as you are aware, NIRPC's Finance Department experienced significant turnover of staff during the 2019 audit year, which we believe significantly contributed to the additional attention needed by the State of Board of Accounts to complete our audit.

NIRPC takes seriously the importance of correct and timely financial information and reporting, and while we do not point to the staff circumstances during the year of this audit as an excuse for the errors encountered, we do feel it is important that this be noted by way of explanation as having contributed to them.

As of the present time, we have added staff to the financial team, and believe this will help prevent future errors and omissions such as were brought to light during the 2019 audit.

We greatly appreciate the State Board of Accounts working with us as we move past these staff transitions and seek to ensure greater accuracy and efficiency in our financial operations.

Sincerely,

Talaya Jones
Chief Financial Officer

NORTHWESTERN INDIANA REGIONAL PLANNING COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on September 17, 2020, with Ty Warner, Executive Director; Talaya Jones, Chief Financial Officer; Kathy Luther, Chief of Staff; Stephanie Kuziela, Accountant; Michael W. Griffin, Chair of the Board of Commissioners; Richard Hardaway, Commissioner; Justin Kiel, Commissioner; Greg Stinson, Commissioner; and George Topoll, Commissioner.