

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JENNINGS COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
10/15/2020



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tessia Salsman	01-01-19 to 12-31-20
County Treasurer	Kitty Shepherd	01-01-19 to 12-31-20
Clerk of the Circuit Court	Amy Thompson	01-01-19 to 12-31-20
County Sheriff	Kenny Freeman	01-01-19 to 12-31-20
County Recorder	Mary Dorsett Kilgore	01-01-19 to 12-31-20
President of the Board of County Commissioners	Matt Sporleder	01-01-19 to 12-31-20
President of the County Council	Howard L. Malcomb	01-01-19 to 12-31-20



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF JENNINGS COUNTY, INDIANA

This report is supplemental to our audit report of Jennings 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

October 6, 2020

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COUNTY AUDITOR  
JENNINGS COUNTY

COUNTY AUDITOR  
JENNINGS COUNTY  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS - DISBURSEMENTS**

A similar comment appeared in a Management Letter addressed to the County Auditor and Board of County Commissioners for the audit period ending December 31, 2018.

*Condition and Context*

The following internal control deficiency was noted as it related to vendor disbursements:

The County Auditor's office did not provide all vendor claims to the Board of County Commissioners for review and approval. Claims paid prior to the Board of County Commissioners' meetings were not included on the claims docket, and, therefore, were not approved by the Board of County Commissioners.

*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 5-11-10-1.6 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:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (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. . . ."

COUNTY AUDITOR  
JENNINGS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2020, with Tessia Salsman, County Auditor; Kitty Shepherd, County Treasurer; Matt Sporleder, President of the Board of County Commissioners; and Howard L. Malcomb, President of the County Council.

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CLERK OF THE CIRCUIT COURT  
JENNINGS COUNTY

CLERK OF THE CIRCUIT COURT  
JENNINGS COUNTY  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS - CASH AND INVESTMENTS**

A similar comment also appeared in prior Reports B51706, B51779, B53378, and B53538, entitled *INTERNAL CONTROLS*.

*Condition and Context*

There was a lack of documented segregation of duties over cash and investments. Monthly depository reconciliations of the fund balances to the bank balances were conducted; however, documentation was not presented to indicate that there was an oversight, review, or approval process to ensure the accuracy of the reconcilements.

*Criteria*

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CLERK OF THE CIRCUIT COURT  
JENNINGS COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2020, with Amy Thompson, Clerk of the Circuit Court; Tessia Salsman, County Auditor; Kitty Shepherd, County Treasurer; Matt Sporleder, President of the Board of County Commissioners; and Howard L. Malcomb, President of the County Council.