

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

NEWTON COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**  
12/03/2020



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
County Auditor:	
Audit Results and Comments:	
Collection of Amounts Due .....	6
Motor Vehicle Highway - Restricted Fund.....	6
Certification of Internal Control Standards.....	6
Exit Conference .....	7
Board of County Commissioners:	
Audit Result and Comment:	
Adoption of and Training on Internal Control Standards.....	10
Exit Conference .....	11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Tamra Jackson	01-01-19 to 12-31-20
County Treasurer	Teri Knowles	01-01-19 to 12-31-20
Clerk of the Circuit Court	Jessica Firkins	01-01-19 to 12-31-20
County Sheriff	Thomas VanVleet	01-01-19 to 12-31-20
President of the Board of County Commissioners	Tim Drenth Kyle Conrad	01-01-19 to 12-31-19 01-01-20 to 12-31-20
President of the County Council	Scott Carlson	01-01-19 to 12-31-20



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF NEWTON COUNTY, INDIANA

This report is supplemental to our audit report of Newton 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

November 12, 2020

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COUNTY AUDITOR  
NEWTON COUNTY

COUNTY AUDITOR  
NEWTON COUNTY  
AUDIT RESULTS AND COMMENTS

**COLLECTION OF AMOUNTS DUE**

*Condition and Context*

The County did include receipts, disbursements, and cash balances from the George Ade Memorial Healthcare Center on its Fund Ledger as required by agreement. The County did not obtain monthly reports to ensure that all receipts and disbursements were entered properly into the County's records and reported on the financial statement.

*Criteria*

Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

**MOTOR VEHICLE HIGHWAY - RESTRICTED FUND**

*Condition and Context*

The Annual Financial Report (AFR) did not properly present Fund 1173 Motor Vehicle Highway-Restricted Fund (MVH-R) separately from the Motor Vehicle Highway Fund (MVH). The MVH-R was combined with the MVH Fund on the AFR, which is the source of the financial statement.

*Criteria*

On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows:

Counties

Fund 1176	MVH
Fund 1173	MVH Restricted . . .

**Together, MVH and MVH Restricted shall constitute the total MVH Fund.** MVH and MVH Restricted will be shown separately on the Annual Financial Report and Annual Operational Report. (State Examiner Directive 2018-2)

**CERTIFICATION OF INTERNAL CONTROL STANDARDS**

*Condition and Context*

The County Auditor certified on the Annual Financial Report that the County had adopted an internal control policy and that the appropriate personnel were trained on internal control standards. The County had not adopted an internal control policy and personnel did not receive the internal control training; therefore, the certification was incorrect.

*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](#)."

COUNTY AUDITOR  
NEWTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2020, with Tamra Jackson, County Auditor, and Kyle Conrad, President of the Board of County Commissioners.

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BOARD OF COUNTY COMMISSIONERS  
NEWTON COUNTY

BOARD OF COUNTY COMMISSIONERS  
NEWTON COUNTY  
AUDIT RESULT AND COMMENT

***ADOPTION OF AND TRAINING ON INTERNAL CONTROL STANDARDS***

The same comment also appeared in prior Reports B49053, B54206, and B54209.

*Condition and Context*

The Board of County Commissioners did not adopt the minimum internal control standards and procedures and ensure personnel were properly trained as required under Indiana Code 5-11-1-27(g).

*Criteria*

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

BOARD OF COUNTY COMMISSIONERS  
NEWTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2020, with Kyle Conrad, President of the Board of County Commissioners.