

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

COMPLIANCE REPORT

OF

VIGO COUNTY SOLID WASTE MANAGEMENT DISTRICT

VIGO COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**

01/06/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Kathy Kinney Karrum Nasser	01-01-19 to 07-05-20 07-06-20 to 12-31-20
President of the District Board	Judith Anderson	01-01-19 to 12-31-20



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE VIGO COUNTY SOLID WASTE  
MANAGEMENT DISTRICT, VIGO COUNTY, INDIANA

The Vigo County Solid Waste Management District (District) is considered a component unit of the Vigo County (County) under accounting principles generally accepted in the United States of America. The District's financial information was audited as part of the County's financial statements for the period from January 1, 2019 to December 31, 2019. The Financial Statements Audit Report of the County, which provides our opinions on the County's financial statements and which includes the District's financial information, 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 Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures for the District. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

The District's Annual Financial Report information can be found on the Indiana Gateway for Government Units financial reporting system website: <https://gateway.ifionline.org> and has not been subjected to any audit procedures.

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

December 22, 2020

VIGO COUNTY SOLID WASTE MANAGEMENT DISTRICT  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

*Condition and Context*

Internal control activities should be selected and developed at various levels to reduce risks of error and/or fraud of the financial statement. The District has not separated incompatible activities related to certain aspects of cash and investments of the financial statement. The failure to establish these internal controls could enable material misstatements to be undetected.

*Cash and Investments*

The District hired an outside CPA firm to perform the monthly bank reconciliations during the review period. There was no documented oversight, approval, or review process to ensure that required bank reconciliations were properly performed.

*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. . . ."

OFFICIAL RESPONSE

Date: December 30, 2020

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

Re: Vigo County Solid Waste Management District

An accountant at the CPA firm will prepare and the District's Executive Director will review the monthly bank reconciliation. Their involvement will be documented directly on the reconciliation which will then be uploaded into Gateway for the State Board of Accounts to see.

Karrum Nasser  
Executive Director

VIGO COUNTY SOLID WASTE MANAGEMENT DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on December 28, 2020, with Karrum Nasser, Director; Duke Bennett, Vice President of the District Board; Cindy Hart, Accountant; and Earl Elliott, CPA, Accountant.