

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

BELL MEMORIAL PUBLIC LIBRARY

KOSCIUSKO COUNTY, INDIANA

January 1, 2017 to December 31, 2020



**FILED**

03/04/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stephen Boggs	01-01-17 to 12-31-21
Treasurer	Jill Gross Lee Ann Rock	01-01-17 to 12-31-18 01-01-19 to 12-31-21
President of the Library Board	Roger Moriarty Honey Kuhn Dick Webb Larry Yeiter	01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-21



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE BELL MEMORIAL PUBLIC LIBRARY, KOSCIUSKO COUNTY, INDIANA

This report is supplemental to our audit report of the Bell Memorial Public Library (Library), for the period from January 1, 2017 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Library. It should be read in conjunction with our Financial Statements Audit Report of the Library, which provides our opinions on the Library's financial statements. 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

March 1, 2021

BELL MEMORIAL PUBLIC LIBRARY  
AUDIT RESULTS AND COMMENTS

**FINANCIAL TRANSACTIONS AND REPORTING**

*Condition and Context*

There were deficiencies in the internal control system of the Library related to financial transactions and reporting. The Library had not separated incompatible activities related to cash and investments, receipts, and payroll disbursements. The failure to establish these internal controls could have enabled material misstatements to remain undetected.

*Cash and Investments*

One employee prepared the monthly bank reconcilements. There was no evidence of an oversight, review, or approval process over the monthly bank reconcilements.

*Receipts*

One employee issued and posted receipts into the financial software. There was no evidence of an oversight, review, or approval process over receipt postings.

*Payroll Disbursements*

One employee processed payroll using financial software. There was no evidence of an oversight, review, or approval process over payroll processing prior to payment.

*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.

BELL MEMORIAL PUBLIC LIBRARY  
AUDIT RESULTS AND COMMENTS  
(Continued)

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. . . .”

**TRAINING AND CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The Library failed to ensure that training was provided for all personnel over the internal control standards adopted as required by Indiana Code 5-11-1-27(g). However, the Library certified on the Indiana Gateway for Government Units financial reporting system that they had provided employees with internal control training.

*Criteria*

Indiana 5-11-1-27(g) states in part:

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

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

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](#)."

BELL MEMORIAL PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on March 1, 2021, with Lee Ann Rock, Treasurer, and Stephen Boggs, Director.