

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MIAMI COUNTY, INDIANA

January 1, 2020 to December 31, 2020



**FILED**  
09/03/2021



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Mary Brown	01-01-20 to 12-31-21
County Treasurer	Annette Phillippo	01-01-20 to 12-31-21
Clerk of the Circuit Court	Sherry Raber	01-01-20 to 12-31-21
County Sheriff	Timothy S. Hunter	01-01-20 to 12-31-21
County Recorder	Rhonda Trexler Paul Wilson	01-01-20 to 12-31-20 01-01-21 to 12-31-21
President of the Board of County Commissioners	Alan Hunt	01-01-20 to 12-31-21
President of the County Council	Ralph Duckwall	01-01-20 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MIAMI COUNTY, INDIANA

This report is supplemental to our audit report of Miami County (County), for the period from January 1, 2020 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 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

August 18, 2021

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CLERK OF THE CIRCUIT COURT  
MIAMI COUNTY

CLERK OF THE CIRCUIT COURT  
MIAMI COUNTY  
AUDIT RESULT AND COMMENT

**BANK ACCOUNT RECONCILIATIONS**

A similar comment related to internal controls over cash and investments appeared in the immediately prior Report B55621, entitled *FINANCIAL TRANSACTIONS AND REPORTING*.

*Condition and Context*

There were deficiencies in the internal control system of the Clerk of the Circuit Court (Clerk) related to cash and investments. The Clerk had not separated incompatible activities related to cash. The Clerk completed the cash reconciliation for the first nine months of the audit period; however, there was no evidence of another employee reviewing the reconciliations. The Clerk provided lists of outstanding checks and deposits-in-transit for October through December, but did not provide the actual bank reconciliations for those months. We prepared a bank reconciliation for December 2020 using the reconciling items provided by the Clerk; however, the December reconciliation indicated a cash short variance of \$20,492.

*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 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CLERK OF THE CIRCUIT COURT  
MIAMI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2021, with Sherry Raber, Clerk of the Circuit Court; Mary Brown, County Auditor; Alan Hunt, President of the Board of County Commissioners; Ralph Duckwall, President of the County Council; Bryan Nutt, County Council member; and Sandy Chittum, County Council member.

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COUNTY TREASURER  
MIAMI COUNTY

COUNTY TREASURER  
MIAMI COUNTY  
AUDIT RESULT AND COMMENT

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

The County Treasurer's office did not have an effective system of internal controls in place to ensure that bank account reconciliations were properly prepared. The County Treasurer's bank reconciliation provided as of December 31, 2020, did not agree to the County's Annual Financial Report. The unidentified variance was cash short of \$226,669.

*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:

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COUNTY TREASURER  
MIAMI COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2021, with Annette Phillippo, County Treasurer; Mary Brown, County Auditor; Alan Hunt, President of the Board of County Commissioners; Ralph Duckwall, President of the County Council; Bryan Nutt, County Council member; and Sandy Chittum, County Council member.