

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PERRY COUNTY, INDIANA

January 1, 2019 to December 31, 2019



**FILED**

10/25/2021



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
County Auditor:	
Audit Result and Comment:	
Compensation and Benefits .....	6
Exit Conference .....	7
County Treasurer:	
Audit Result and Comment:	
Bank Account Reconciliations.....	10-11
Exit Conference .....	12

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Pamela L. Goffinet	01-01-19 to 12-31-21
County Treasurer	Paul W. Alvey Amanda F. Lasher	01-01-19 to 01-31-20 02-01-20 to 12-31-21
Clerk of the Circuit Court	Amanda Mogan Rachel K. Roark	01-01-19 to 03-31-20 04-01-20 to 12-31-21
County Sheriff	Alan Malone	01-01-19 to 12-31-21
County Recorder	Jane James	01-01-19 to 12-31-21
President of the Board of County Commissioners	Randy Kleaving Thomas J. Hauser	01-01-19 to 12-31-19 01-01-20 to 12-31-21
President of the County Council	David A. Etienne Luke Thomas	01-01-19 to 12-31-20 01-01-21 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PERRY COUNTY, INDIANA

This report is supplemental to our audit report of Perry 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 7, 2021

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COUNTY AUDITOR  
PERRY COUNTY

COUNTY AUDITOR  
PERRY COUNTY  
AUDIT RESULT AND COMMENT

**COMPENSATION AND BENEFITS**

*Condition and Context*

Rates of pay for 29 employees were not included in the adopted 2019 Salary Ordinance. This included 14 positions that were paid from eight individual funds. The positions were mostly being paid out of grant funds.

*Criteria*

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

COUNTY AUDITOR  
PERRY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 7, 2021, with Pamela L. Goffinet, County Auditor; Thomas J. Hauser, President of the Board of County Commissioners; Charles A. Baumeister, County Council member; and David A. Etienne, County Council member.

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COUNTY TREASURER  
PERRY COUNTY

COUNTY TREASURER  
PERRY COUNTY  
AUDIT RESULT AND COMMENT

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

Effective internal controls over the preparation of depository reconciliations of the fund balances to the bank account balances, and the reconciliations of the County Treasurer's Cash Book balances to the County Auditor's fund balances were not in place to timely identify and correct errors. Without a proper system of internal controls in place that operated effectively, material misstatements could have occurred and remained undetected.

Depository reconciliations of the fund balances to the bank account balances, prescribed County Form 47TR "Monthly Financial Report," and reconciliations of the County Treasurer's Cash Book balances to the County Auditor's fund balances were not completed timely. Depository reconciliations were not completed timely for 5 of the 12 months, with the December reconciliation not being completed until February 25, 2020.

*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."

COUNTY TREASURER  
PERRY COUNTY  
AUDIT RESULT AND COMMENT  
(Continued)

Indiana Code 36-2-10-16(a) states:

"Before the sixteenth day of each month, the treasurer shall prepare a report showing, as of the close of business on the last day of the preceding month, the following items:

- (1) The total amount of taxes collected and not included in the last semiannual settlement of taxes, and the amount of taxes omitted from any preceding semiannual settlements, except for taxes advanced to the state or a municipal corporation in the county and for which an advance settlement has been made.
- (2) The total amount of distributions under [IC 6-5.5](#) that are not included in the last semiannual settlement of taxes, and the amount of those taxes omitted from any preceding semiannual settlements.
- (3) The totals of money received from all other sources and not receipted into the ledger fund accounts of the county at the end of the month.
- (4) The total of the balances in all ledger fund accounts.
- (5) The total amount of cash in each depository at the close of business on the last day of the month.
- (6) The total of county warrants issued against each depository that are outstanding and unpaid at the end of the month.
- (7) The record balance of money in each depository at the end of the month.
- (8) The cash in the office at the close of the last day of the month.
- (9) Other items for which the treasurer is entitled to credit.

The treasurer shall prepare the report in quadruplicate and verify each copy. The treasurer shall retain one (1) copy as a public record and file three (3) copies with the county auditor. The state board of accounts shall prescribe forms for the report in the detail it considers necessary under this section and [IC 5-13-6-1](#)."

The Monthly Financial Statement, Form 61, is a permanent record prepared from the treasurer's funds ledger at the close of each month. It is prepared after all postings to the ledger have been completed for the month and reflects the total receipts and disbursements and the balance for each fund for the month and for the year to date. The statement must agree with a similar statement kept by the county auditor, giving consideration to any adjustments required to reconcile the ledgers of the two offices. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 5)

COUNTY TREASURER  
PERRY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 7, 2021, with Amanda F. Lasher, County Treasurer; Paul W. Alvey, former County Treasurer; and Dawn H. Baumeister, Chief Deputy Treasurer.

The contents of this report were also discussed on October 7, 2021, with Thomas J. Hauser, President of the Board of County Commissioners; Charles A. Baumeister, County Council member; and David A. Etienne, County Council member.