

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

RIPLEY COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
10/25/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Amy Copeland	01-01-19 to 12-31-21
County Treasurer	Cathy Volz Lisa Vestal	01-01-19 to 12-31-20 01-01-21 to 12-31-21
Clerk of the Circuit Court	Ginger J. Bradford	01-01-19 to 12-31-21
County Sheriff	Jeff Cumberworth	01-01-19 to 12-31-21
County Recorder	Mary Ann McCoy	01-01-19 to 12-31-21
President of the Board of County Commissioners	Rodney Stratton Mark A. Horstman	01-01-19 to 12-31-19 01-01-20 to 12-31-21
President of the County Council	Brenda Wetzler Ron J. Decker	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 RIPLEY COUNTY, INDIANA

This report is supplemental to our audit report of Ripley 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/.

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 4, 2021

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COUNTY AUDITOR
RIPLEY COUNTY

COUNTY AUDITOR
RIPLEY COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING

A similar comment appeared in a Management Letter addressed to the County Auditor for the audit period ending December 31, 2018.

Condition and Context

The County Auditor's office had not established an effective system of internal controls over financial close and reporting. The County Auditor prepared and submitted the financial information into the Indiana Gateway for Government Units financial reporting system, which is the source of the Annual Financial Report and financial statement. There were no documented internal controls in place to ensure the accuracy of the financial information prior to submission.

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."

COUNTY AUDITOR
RIPLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2021, with Amy Copeland, County Auditor; Mark A. Horstman, President of the Board of County Commissioners; and Ron J. Decker, President of the County Council.

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COUNTY TREASURER
RIPLEY COUNTY

COUNTY TREASURER
RIPLEY COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER RECEIPTS

Condition and Context

The County Treasurer's office had not separated incompatible activities related to receipts. Multiple individuals received collections, issued receipts, posted receipts, prepared the deposit slip, and remitted the collections to the bank. There were no documented internal controls in place over receipts to prevent, or detect and correct, errors.

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."

COUNTY TREASURER
RIPLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2021, with Lisa Vestal, County Treasurer; Mark A. Horstman, President of the Board of County Commissioners; and Ron J. Decker, President of the County Council.

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CLERK OF THE CIRCUIT COURT
RIPLEY COUNTY

CLERK OF THE CIRCUIT COURT
RIPLEY COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

A similar comment appeared in a Management Letter addressed to the Clerk of the Circuit Court for the audit period ending December 31, 2018.

Condition and Context

There were several deficiencies in the internal control system of the office of the Clerk of the Circuit Court (Clerk) related to financial transactions and reporting. The Clerk had not separated incompatible activities related to cash and disbursements.

Cash

The Clerk had not designed or implemented internal controls, including segregation of duties, to ensure the accuracy of the cash and investments balances. There was no documented oversight, review, or approval process to ensure the bank accounts were properly reconciled.

Disbursements

The Clerk had not designed or implemented internal controls, including segregation of duties, related to disbursements. One employee prepared, processed, and distributed checks for the Trust. The process was completed without a documented oversight, review, or approval process to ensure the accuracy of the disbursements.

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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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."

CLERK OF THE CIRCUIT COURT
RIPLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2021, with Ginger J. Bradford, Clerk of the Circuit Court; Mark A. Horstman, President of the Board of County Commissioners; and Ron J. Decker, President of the County Council.