

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PULASKI COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
10/27/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Laura M. Wheeler	01-01-19 to 12-31-21
County Treasurer	Teresa L. Bryant	01-01-19 to 12-31-21
Clerk of the Circuit Court	JoLynn Behny	01-01-19 to 12-31-21
County Sheriff	Jeffery K. Richwine	01-01-19 to 12-31-21
County Recorder	Susan J. Fox	01-01-19 to 12-31-21
President of the Board of County Commissioners	Kenneth R. Becker Charles R. Mellon	01-01-19 to 12-31-20 01-01-21 to 12-31-21
President of the County Council	Jerry G. Sullivan Kenneth Boswell	01-01-19 to 12-31-19 01-01-20 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PULASKI COUNTY, INDIANA

This report is supplemental to our audit report of Pulaski 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 14, 2021

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COUNTY COUNCIL
PULASKI COUNTY

COUNTY COUNCIL
PULASKI COUNTY
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

A similar comment appeared in prior Report B53620.

Condition and Context

The County Council did not provide or document training to personnel over the adopted internal control standards. During 2019, three out of four new hires tested, whose job responsibilities would have required internal control training, did not have documentation of the required training.

Criteria

Indiana Code 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."

COUNTY COUNCIL
PULASKI COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 14, 2021, with Laura M. Wheeler, County Auditor; Charles R. Mellon, President of the Board of County Commissioners; and Kathleen Thompson, County Council member.

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COUNTY AUDITOR
PULASKI COUNTY

COUNTY AUDITOR
PULASKI COUNTY
AUDIT RESULTS AND COMMENTS

CERTIFICATION ON INTERNAL CONTROL STANDARDS

A similar comment appeared in prior Report B53620.

Condition and Context

The County Auditor certified on the Annual Financial Report that the County had provided employees with internal control training; however, no documentation was retained in the County's personnel files to support the certification.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity 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](#)."

ERRORS ON CLAIMS

A similar comment appeared in prior Report B53620.

Condition and Context

The County did not have an Accounts Payable Voucher (APV), a prescribed form, for payroll clearing and payroll withholding disbursements. Due to the lack of an APV, payroll disbursements were not certified by the fiscal officer, and the Board of County Commissioners could not verify that the APVs agreed to supporting documentation. Three of the thirteen vendor disbursements tested for the period did not have certification from the fiscal officer and/or approval from the County Commissioners.

COUNTY AUDITOR
PULASKI COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

To properly account for the remittance of payroll deductions, it is recommended that each electronic transfer be supported by an Accounts Payable Form No. 17; . . .

If the remittance is for tax or other funds payable to an agency of the State of Indiana or the Federal Government, such as Federal Withholding Tax, Social Security (FICA Tax), State Withholding Tax, County Adjusted Gross Income Tax or employees' contributions to Public Employees' Retirement Fund, the claim or voucher need not be signed by the agency to which the payment is made nor allowed by the board of county commissioners prior to payment. The same is true with respect to assignments of wages for other purposes . . . if fully paid by employees. . . . However, if county funds are to be disbursed in support of an employee's benefit program, such as group insurance, the claim or voucher should be submitted to the board of county commissioners for allowance. A claim or voucher should also be submitted to the board for the county's portion of contributions payable to Public Employees' Retirement Fund. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 8)

AUDITOR PULASKI COUNTY

LAURA M WHEELER

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To Whom It May Concern:

In response to the findings of the 2019 State Board of Accounts Audit:

Internal Controls

Pulaski County adopted the minimum internal control standards as required per IC 5-11-1-27(e) in 2017 when I took office. The Auditor's office policy requires all new hires to review the webinar prior to beginning their employment duties. Through the audit three employees were found not to have completed the required training. I believe this was due to a change in payroll processing personnel and have since corrected issue. I certified that all personnel defined by IC 5-11-1-27(c) received training concerning the internal control standards adopted by Pulaski County because I believed that all personnel had in fact received said training. All files are being reviewed to ensure that no other employees missed the internal control training.

Claims Error

Payroll and Settlement Claims found not to have claim vouchers or commissioner approval. The Auditor's office has revised the claims process to have all payments accompanied by a claim voucher and a claims report approved by the commissioners.

Laura Wheeler

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PULASKI COUNTY
EXIT CONFERENCE

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