

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DECATUR COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED

11/10/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Janet S. Chadwell	01-01-20 to 12-31-21
County Treasurer	Jamie Boling Diane M. Wenning	01-01-20 to 12-31-20 01-01-21 to 12-21-21
Clerk of the Circuit Court	Adina A. Roberts	01-01-20 to 12-31-21
County Sheriff	Dave Durant	01-01-20 to 12-31-21
County Recorder	Dottie Robbins	01-01-20 to 12-31-21
President of the Board of County Commissioners	Richard J. Nobbe Mark Koors	01-01-20 to 12-31-20 01-01-21 to 12-31-21
President of the County Council	Danny Peters	01-01-20 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF DECATUR COUNTY, INDIANA

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

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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

November 1, 2021

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COUNTY TREASURER
DECATUR COUNTY

COUNTY TREASURER
DECATUR COUNTY
AUDIT RESULT AND COMMENT

BANK ACCOUNT RECONCILEMENTS

A similar comment also appeared in prior Report B55831, entitled *INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING*.

Condition and Context

The County Treasurer's office did not have an effective system of internal controls in place over cash and investments.

Depository reconcilements of the fund balances to the bank account balances were prepared by the Deputy County Treasurer and reviewed by the County Treasurer; however, this internal control was not effective and did not detect and/or identify errors in the reconcilements.

The bank reconcilements presented for audit contained unidentified variances that indicated cash shorts ranging from \$282,584 to \$580,701 from July through December of 2020. The bank reconcilement as of December 31, 2020, initially indicated a cash short in the amount of \$451,117. During the audit, an additional \$464,975 of posting errors were identified by the County, leaving a remaining unidentified cash long in the amount of \$13,858.

Additionally, an unidentified cash long from the prior audit period in the amount of \$195,379 was posted to the County Treasurer's Cash Book Other Sources as "Fund Difference." This was corrected in June of 2021.

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:

COUNTY TREASURER
DECATUR COUNTY
AUDIT RESULT AND COMMENT
(Continued)

"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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for County Treasurers of Indiana, Chapter 1)

COUNTY TREASURER
DECATUR COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 1, 2021, with Diane M. Wenning, County Treasurer; Mark Koors, President of the Board of County Commissioners; Bill Metz, County Council member; Janet S. Chadwell, County Auditor; Christy Smiley, Deputy County Auditor; Blair Haley, Deputy County Auditor; and Danielle Holcomb, Deputy County Treasurer.