

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ELKHART PUBLIC LIBRARY

ELKHART COUNTY, INDIANA

January 1, 2020, to December 31, 2020



FILED
12/15/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Elizabeth J. Guedea Carreño	01-01-20 to 12-31-21
Treasurer	Jane A. Garoutte	01-01-20 to 12-31-21
President of the Library Board	James W. Rieckhoff	01-01-20 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ELKHART PUBLIC LIBRARY, ELKHART COUNTY, INDIANA

This report is supplemental to our audit report of the Elkhart Public Library (Library), 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 Library. It should be read in conjunction with our Financial Statement Audit Report of the Library, which provides our opinions on the Library'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

December 6, 2021

ELKHART PUBLIC LIBRARY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

The Library had not established an effective internal control system to prevent, or detect and correct, material misstatements related to financial close and reporting. The Treasurer entered and submitted the financial information into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the Annual Financial Report and financial statement. There was no documented evidence of an oversight, review, or approval process to ensure that the financial information entered into Gateway was accurate 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. . . ."



Administration Services
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574.522.3333

December 15, 2021

State Board of Accounts
302 West Washington Street
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Indianapolis, IN 46204-2769

RE: Audit response and comments

The Library acknowledges that there was no documented evidence of an oversight, review or approval process to ensure that the financial information entered into Gateway was accurate prior to submission. The Library will institute separation of duty in the process and document the review and approval prior to submission.

Sincerely,

A handwritten signature in black ink, appearing to read "Jane A. Garoutte".

Jane A. Garoutte, Treasurer

A handwritten signature in black ink, appearing to read "Lisa Guedea Carreño".

Lisa Guedea Carreño, Director

ELKHART PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 6, 2021, with Jane A. Garoutte, Treasurer; Elizabeth J. Guedea Carreño, Director; and James W. Rieckhoff, President of the Library Board.