

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PLAINFIELD-GUILFORD TOWNSHIP PUBLIC LIBRARY

HENDRICKS COUNTY, INDIANA

January 1, 2020 to December 31, 2021



**FILED**

08/19/2022



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Audit Results and Comments:	
Internal Controls .....	4-5
Annual Financial Report .....	5
Exit Conference .....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Montie Manning	01-01-20 to 12-31-22
Treasurer	Nelda Keltner	01-01-20 to 12-31-22
President of the Library Board	Mary Giesting Beth Shepperd	01-01-20 to 12-31-21 01-01-22 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE PLAINFIELD-GUILFORD TOWNSHIP  
PUBLIC LIBRARY, HENDRICKS COUNTY, INDIANA

This report is supplemental to our audit report of the Plainfield-Guilford Township Public Library (Library), for the period from January 1, 2020 to December 31, 2021. 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/](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.

Beth Kelley, CPA, CFE  
Deputy State Examiner

August 10, 2022

PLAINFIELD-GUILFORD TOWNSHIP PUBLIC LIBRARY  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

Deficiencies in the internal control system of the Library related to financial transactions and reporting were identified. The Library has not separated incompatible activities related to certain aspects of the financial statement. The Library had not established an effective system of internal controls over Cash and Investments and Financial Close and Reporting.

*Cash and Investments*

Monthly bank reconciliations were performed during the audit period; however, there was no documented evidence of an oversight, review, or approval process to ensure that required bank reconciliations were properly performed.

*Financial Close and Reporting*

The Library had not established a system of internal controls over the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the Annual Financial Report (AFR) and the financial statements. There was no documented evidence of a control such as an oversight, review, or approval process.

*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.

PLAINFIELD-GUILFORD TOWNSHIP PUBLIC LIBRARY  
AUDIT RESULTS AND COMMENTS  
(Continued)

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. . . ."

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

The Schedule of Leases and Debt, as reported through the Indiana Gateway for Government Units financial reporting system, contained material errors. These errors resulted in a net understatement of \$3,390,000 of the ending principal balance.

Audit adjustments were proposed, accepted by the Library, and made to the Schedule of Leases and Debt.

*Criteria*

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

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

PLAINFIELD-GUILFORD TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2022, with Jessica Elston, Comptroller; Montie Manning, Director; and Beth Shepperd, President of the Library Board.