

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PARKE COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
09/29/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Laura Fischer	01-01-21 to 12-31-22
County Treasurer	Kim Shorter	01-01-21 to 12-31-22
Clerk of the Circuit Court	Stacie Jeffries Henry Harper	01-01-21 to 02-28-21 03-01-21 to 12-31-22
County Sheriff	Justin Cole	01-01-21 to 12-31-22
County Recorder	Mary A. Gregg	01-01-21 to 12-31-22
President of the Board of County Commissioners	Jim Meece	01-01-21 to 12-31-22
President of the County Council	John K. Pratt	01-01-21 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PARKE COUNTY, INDIANA

This report is supplemental to our audit report of Parke County (County), for the period from January 1, 2021 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 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

September 19, 2022

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COUNTY AUDITOR
PARKE COUNTY

COUNTY AUDITOR
PARKE COUNTY
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

Condition and Context

The County did not maintain a complete detailed listing of all capital assets owned or conduct the required physical inventory at least every two years.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

MONTHLY AND ANNUAL UPLOADS

Condition and Context

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, current year salary ordinance, and an annual vendor history report.

The County did not comply with Amended State Examiner Directive 2018-1 and failed to upload a portion of the annual files on the Indiana Gateway for Government Units (Gateway) financial reporting system for 2021.

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for County Auditors of Indiana, Chapter 1)

COUNTY AUDITOR
PARKE COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

This amended directive is effective starting with December 2020 monthly files. The upload of December 2020 monthly files will be due February 15, 2021, and by the 15th of each month thereafter unless the State Board of Accounts (SBOA) establishes a different date. This is effective for 2020 annual files which will be due for upload March 1, 2021, for calendar year end units. . . . Thereafter, annual files must be uploaded no later than March 1st . . . for the prior year end unless the SBOA establishes a different date.

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. . . .

The following files and governmental unit information are required to be uploaded monthly by all units except as noted: . . .

For County Auditors:

- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund
- Documentation of Reconciliation of Form 61 between Auditor and Treasurer . . .

The following files and governmental unit information are required to be uploaded annually (for Counties, these apply to County Auditor unless otherwise noted): . . .

- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (of Schedule) and Amendments (except Schools)
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund . . .
- Optional: Excel Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)

. . .

(Amended State Examiner Directive 2018-1)

COUNTY AUDITOR
PARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 19, 2022, with Laura Fischer, County Auditor; Jim Meece, President of the Board of County Commissioners; John K. Pratt, President of the County Council; Bruce Hartman, County Commissioner; Roy Wrightsman, County Council member; and Jack B. Butler, County Council member.

CLERK OF THE CIRCUIT COURT
PARKE COUNTY

CLERK OF THE CIRCUIT COURT
PARKE COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

Internal controls were not properly implemented over the Clerk of the Circuit Court's bank reconciliations. There was no evidence of an internal control such as an oversight, review, or approval process over the bank reconciliations for the old trust account.

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. . . ."

CLERK OF THE CIRCUIT COURT
PARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 19, 2022, with Henry Harper, Clerk of the Circuit Court; Laura Fischer, County Auditor; Jim Meece, President of the Board of County Commissioners; John K. Pratt, President of the County Council; Bruce Hartman, County Commissioner; Roy Wrightsman, County Council member; and Jack B. Butler, County Council member.