



**STATE OF INDIANA**  
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B60105

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October 26, 2022

TO: THE OFFICIALS OF THE MATTHEWS PUBLIC LIBRARY, GRANT COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Matthews Public Library (Library), Grant County, for the period of January 1, 2018 to December 31, 2021, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Library's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

***Comments***

***ADOPTION OF INTERNAL CONTROL STANDARDS***

The same comment also appeared in prior Report B51942.

***Condition and Context***

The Library had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

***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:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision . . ."

## **TRAINING ON INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B51942.

### *Condition and Context*

Library employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Library, had not received training over internal control standards developed or approved by the Indiana State Board of Accounts.

### *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."

## **CERTIFICATION ON INTERNAL CONTROL STANDARDS**

### *Condition and Context*

The Library certified on the Annual Financial Report (AFR) submitted in the Indiana Gateway for Government Units financial reporting system for 2019, 2020, and 2021 that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e). However, during the engagement the Library indicated that it had not, in fact, adopted the minimum internal control standards. No evidence was provided indicating that internal control standards had been adopted. Therefore, the AFRs for 2019, 2020, and 2021 were incorrect.

### *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](#)."

## **TRANSACTION RECORDING**

### *Condition and Context*

Through disbursement compliance testing performed, it was identified that 5 of the 35 vendor and payroll disbursements tested were not recorded at the time of the transaction. The transactions, totaling \$3,471, were recorded as early as a month prior to and as late as a month after the transaction occurred.

### *Criteria*

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

## **SUPPORTING DOCUMENTATION**

### *Condition and Context*

Through disbursement compliance testing performed, for 5 of the 20 vendor disbursements tested, adequate supporting documentation was not provided to determine if the disbursements were proper. The unsupported transactions totaled \$4,153.

### *Criteria*

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2021

Fund	Cash and Investments 12-31-21
General	\$ <u>29,935</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Shirley Biggs, Treasurer; Paula Holdcraft, President of the Library Board; Jane Dilly, Vice President of the Library Board; and Pam King, Secretary of the Library Board, on September 26, 2022.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner