

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PULASKI COUNTY PUBLIC LIBRARY

PULASKI COUNTY, INDIANA

January 1, 2020 to December 31, 2021



**FILED**

11/04/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	MacKenzie Ledley	01-01-20 to 12-31-22
Treasurer	Judy Heater	01-01-20 to 12-31-22
President of the Library Board	Richard Mynark	01-01-20 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the Pulaski County 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

October 25, 2022

PULASKI COUNTY PUBLIC LIBRARY  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

There was a deficiency in the internal control system of the Library related to payroll disbursements.

The Library designed a system of internal control over payroll disbursements, but the system was not properly implemented. The Library Director and Library Board approved the total payroll as a lump sum without a review at the individual employee level to ensure the hours, rate of pay, and total payroll disbursements were accurate.

*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. . . ."

PULASKI COUNTY PUBLIC LIBRARY  
AUDIT RESULTS AND COMMENTS  
(Continued)

**SUPPLEMENTAL SCHEDULES IN ANNUAL FINANCIAL REPORT**

*Condition and Context*

The Schedule of Leases and Debt in the Annual Financial Report, as reported on the Indiana Gateway for Government Units financial reporting system, contained material errors.

The Library did not accurately report Ending Principal Balances and Principal and Interest Due Within One Year, and omitted one bond as of December 31, 2021. The general obligation bond for Renovations/Addition to the Library overstated the ending principal amount by \$325,160 and did not include interest of \$5,940. The General Obligation bond of 2019 was omitted with an ending principal balance of \$1,750,000 and interest due within one year of \$44,438.

Adjustments were proposed, accepted by the Library, and made to the Schedule of Leases and Debt presented in the Financial Statement Audit Report.

*Criteria*

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

"The state examiner shall require from 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](#)."

PULASKI COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2022, with Judy Heater, Treasurer; MacKenzie Ledley, Director; Richard Mynark, President of the Library Board; Nancy Allman, Library Board member; and Virginia Kennedy, Office Manager.