

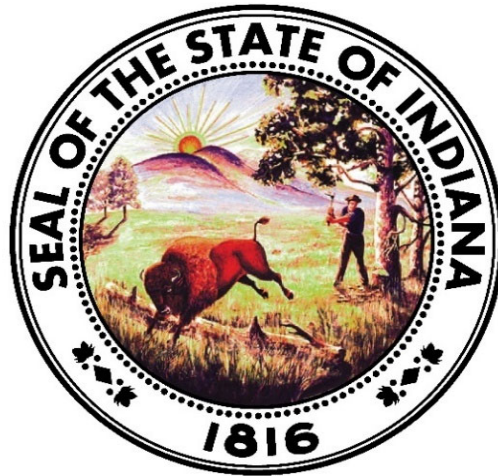
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

BARTHOLOMEW COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

06/19/2023

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|--------------------------------|--|
| County Auditor | Pia O'Connor | 01-01-22 to 12-31-23 |
| County Treasurer | Barbara Hackman | 01-01-22 to 12-31-23 |
| Clerk of the Circuit Court | Shari Lentz | 01-01-22 to 12-31-23 |
| County Sheriff | Matthew A. Myers Chris Lane | 01-01-22 to 12-31-22 01-01-23 to 12-31-23 |
| County Recorder | Tami Hines | 01-01-22 to 12-31-23 |
| President of the Board of County Commissioners | Carl Lienhoop Tony London | 01-01-22 to 12-31-22 01-01-23 to 12-31-23 |
| President of the County Council | Greg Duke Jorge R. Morales | 01-01-22 to 12-31-22 01-01-23 to 12-31-23 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF BARTHOLOMEW COUNTY, INDIANA

This report is supplemental to the audit report of Bartholomew County (County), for the period from January 1, 2022 to December 31, 2022. 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 the 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

June 1, 2023

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COUNTY AUDITOR
BARTHOLOMEW COUNTY

COUNTY AUDITOR
BARTHOLOMEW COUNTY
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The County had not established effective internal controls over the AFR information entered into Gateway, which resulted in the following errors:

Grants

1. Ten grants had individually immaterial errors that resulted in a misstatement of expenditures in the amount of \$608,405, in total.
2. Other errors included incorrect Assistance Listings Numbers, program names, and other identifying numbers.

Audit adjustments were proposed, accepted by the County, and made to the Schedule of Expenditures of Federal Awards.

Capital Assets

The County provided supporting documentation for the reported capital assets. However, supporting documentation for the reported capital assets amount was not accurate because the County had not conducted a physical inventory during the last two years. The County chose to not present the Schedule of Capital Assets.

Payables and Receivables

The County provided supporting documentation for the reported accounts payable and accounts receivable amounts. However, supporting documentation for the reported accounts payable and accounts receivable was not accurate. The County chose to not present the Schedule of Payables and Receivables.

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:

COUNTY AUDITOR
BARTHOLOMEW COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

"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. . . ."

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](#)."

CAPITAL ASSETS

Repeat Comment

A similar comment also appeared in prior Reports B53000, B55571, B57692, and B59649, entitled **CAPITAL ASSETS**.

Condition and Context

The County did not provide a formal capital asset policy, an updated listing of capital assets, and evidence that a capital asset inventory had been completed at least once 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 Counties of Indiana, Chapter 1)

COUNTY AUDITOR
BARTHOLOMEW COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2023, with Pia O'Connor, County Auditor; Dalene Patingill, Chief Deputy County Auditor; Carolyn Massengale, Director of Finance; Tony London, President of the Board of County Commissioners; and Jorge R. Morales, President of the County Council.