

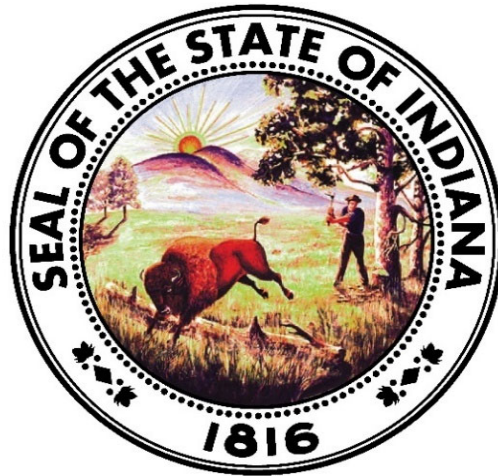
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

KOSCIUSKO COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED
06/21/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Michelle L. Puckett Rhonda J. Helser	01-01-22 to 12-31-22 01-01-23 to 12-31-23
County Treasurer	Rhonda J. Helser Michelle L. Puckett	01-01-22 to 12-31-22 01-01-23 to 12-31-23
Clerk of the Circuit Court	Ann M. Torpy	01-01-22 to 12-31-23
County Sheriff	Kyle P. Dukes Jim Smith	01-01-22 to 12-31-22 01-01-23 to 12-31-23
County Recorder	Joetta Mitchell Deborah Wright	01-01-22 to 12-31-22 01-01-23 to 12-31-23
President of the Board of County Commissioners	Cary P. Groninger Bradford Jackson	01-01-22 to 12-31-22 01-01-23 to 12-31-23
President of the County Council	Sue Ann Mitchell Mike Long	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 KOSCIUSKO COUNTY, INDIANA

This report is supplemental to the audit report of Kosciusko 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

May 15, 2023

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COUNTY SHERIFF
KOSCIUSKO COUNTY

COUNTY SHERIFF
KOSCIUSKO COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS - SHERIFF INMATE TRUST AND SHERIFF COMMISSARY

Condition and Context

There were deficiencies in the internal control system of the Sheriff's Department related to the financial reporting of the Sheriff Inmate Trust and Sheriff Commissary funds.

Receipts

The Sheriff had not properly designed or implemented an effective system of internal controls, which would include appropriate segregation of duties, that would likely be effective in preventing, or detecting and correcting, errors related to the Sheriff Inmate Trust and Sheriff Commissary funds receipts. A single employee posted the receipts to the general ledger, without any evidence to support an oversight or monitoring process to ensure timely and proper recording of funds received.

Disbursements

The Sheriff had not properly designed or implemented an effective system of internal controls, which would include appropriate segregation of duties, that would likely be effective in preventing, or detecting, and correcting errors related to the Sheriff Inmate Trust and Sheriff's Commissary funds disbursements. A single employee posted the disbursements to the general ledger, without evidence to support an oversight or monitoring process to ensure timely and proper recording of funds disbursed.

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. . . ."

COUNTY SHERIFF
KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 15, 2023, with Jim Smith, County Sheriff; Michelle Hyden, Sheriff's Matron; Cheryl McGettrick, Financial Administrator; Chris McKeand, Chief Deputy Sheriff; Bradford Jackson, President of the Board of County Commissioners; Cary P. Groninger, County Commissioner; Sue Ann Mitchell, County Council member; and Kim Cates, County Council member.

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COUNTY AUDITOR
KOSCIUSKO COUNTY

COUNTY AUDITOR
KOSCIUSKO COUNTY
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. The capital asset information entered into Gateway contained the following errors:

1. The ending balance for land was overstated by \$1,600.
2. The ending balance for infrastructure was overstated by \$41,168,300.
3. The ending balance for buildings was understated by \$288,396.
4. The ending balance for machinery, equipment, and vehicles was understated by \$697,986.

Adjustments were proposed, accepted by the County, and made to the Schedule of Capital Assets presented as Other Information in the Financial Statement Audit Report.

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](#)."

COUNTY AUDITOR
KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 15, 2023, with Rhonda J. Helser, County Auditor; Michelle L. Puckett, County Treasurer; Bradford Jackson, President of the Board of County Commissioners; Cary P. Groninger, County Commissioner; Sue Ann Mitchell, County Council member; and Kim Cates, County Council member.