

# ***STATE BOARD OF ACCOUNTS***

## **Audit Process**

2025 Auditors Conference

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### ***PAUL D. JOYCE, CPA STATE EXAMINER***

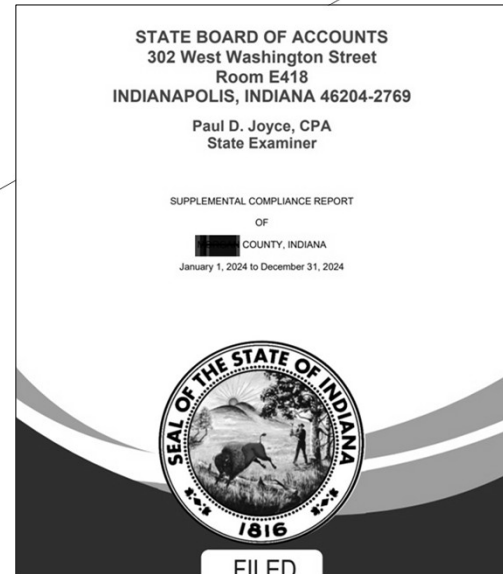
Indiana's State Examiner and the agency head for the State Board of Accounts, Paul Joyce coordinates and manages the post-audits and examinations of over 4,000 state and local governmental entities in Indiana.

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# Authority



- IC 5-11-1-9 requires the State Examiner to examine all accounts and all financial affairs of every public entity.



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# Purpose of Audit



## Provide Opinion on Financial Statements

- ❖ Unmodified **Best**
- ❖ Modified
  - Qualified
  - Adverse
  - Disclaimer

## Report Noncompliance: State & Federal

- ❖ State
  - Audit Result & Comment
  - Noncompliance Management Letter
  - Discussion Only
- ❖ Federal
  - Section II
  - Section III

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## Getting the Audit Started

- ❖ Entrance Conference
- ❖ Understanding of the County as an Entity
- ❖ Understanding of the Internal Control processes
- ❖ Audit Plan
  - Departments
  - Materiality
  - Risk Assessment
  - Audit Steps

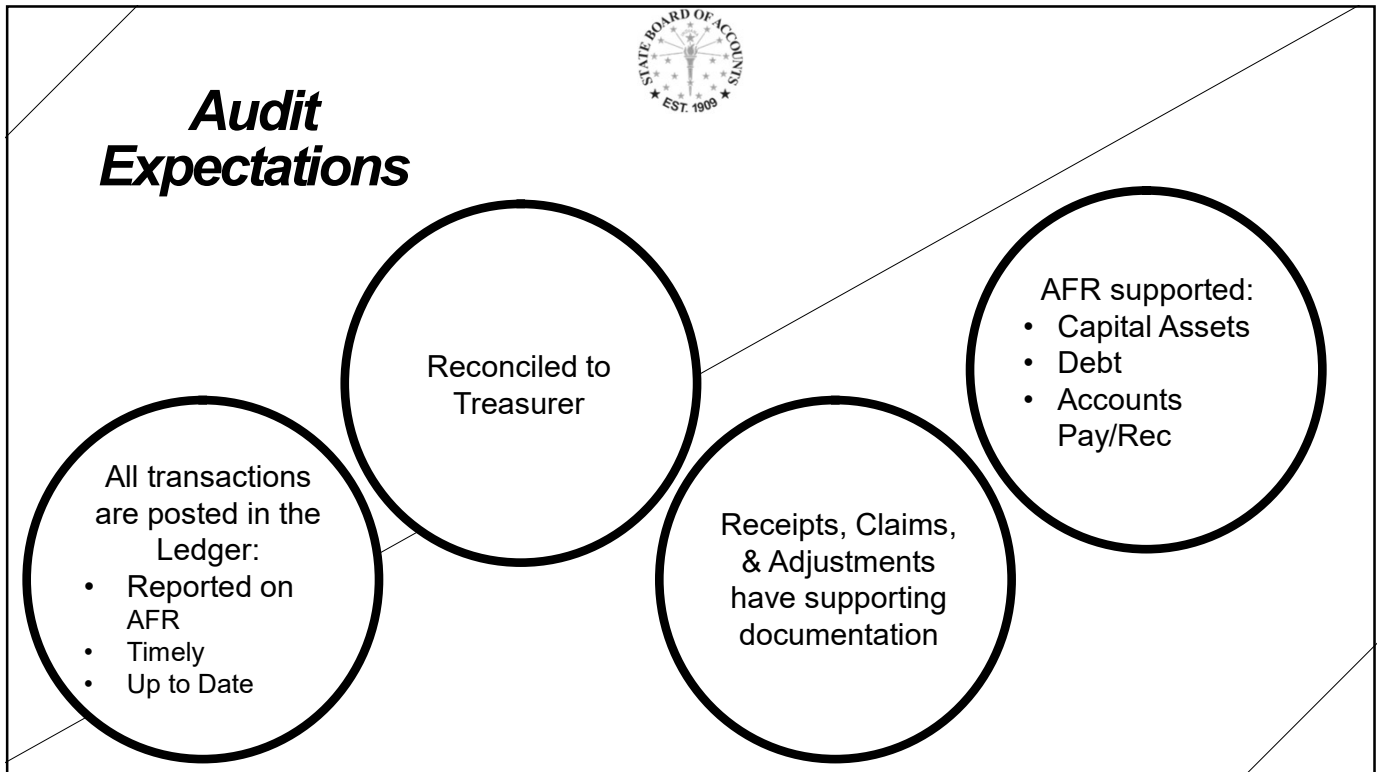
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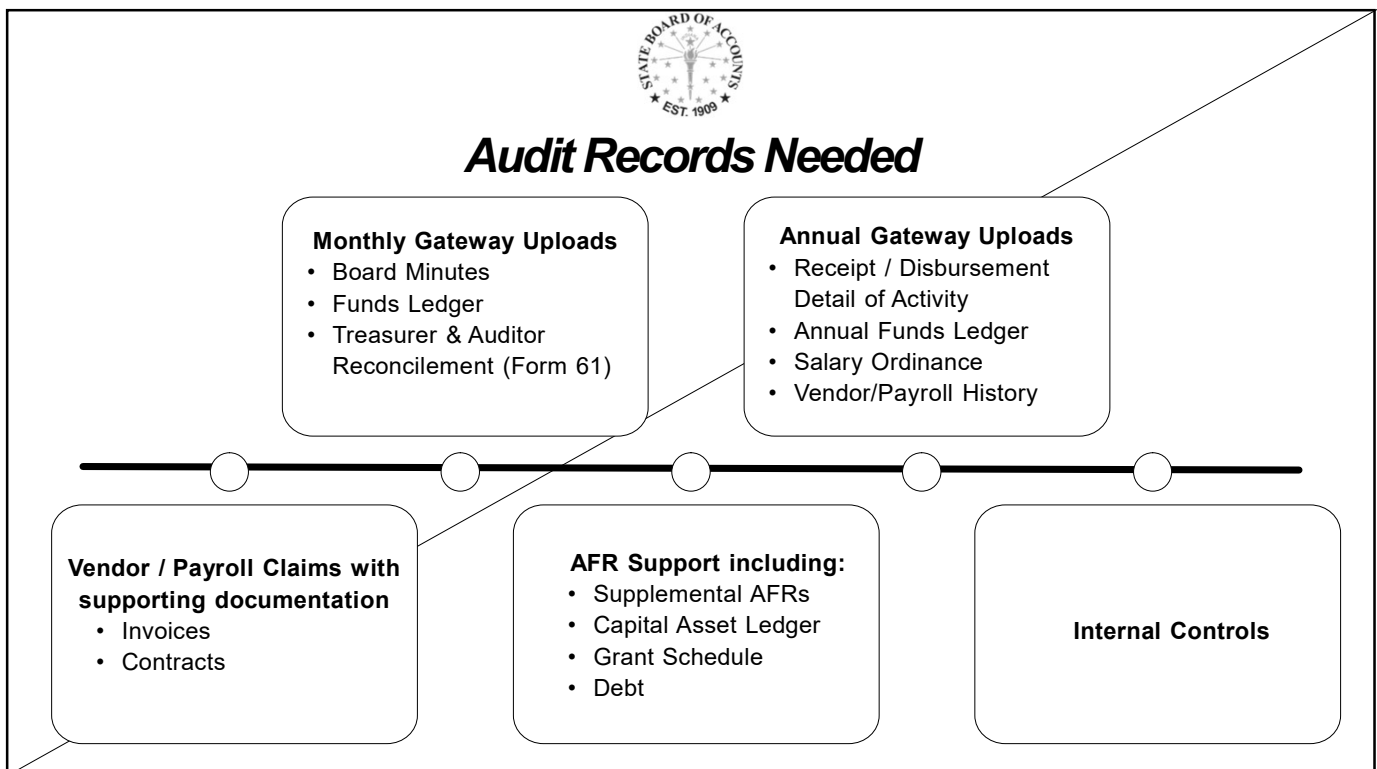
## ***Annual Financial Report***

IC 5-11-1-4(a): "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"

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## ***Internal Controls***

- ❖ Review Processes
- ❖ Identify Key Controls
- ❖ Test Controls  
*(must be documented)*
- ❖ Report Deficiencies

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## ***Reconciling***

- ❖ Review monthly reconcilements
- ❖ Review any variances
- ❖ Perform an overall reconciliation of bank accounts to financial statements

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## ***Receipts / Disbursements***

- ❖ Recorded timely
- ❖ Recorded properly
  - Fund
  - Amount
- ❖ Supporting Documentation

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## ***Annual Financial Report (AFR)***

- ❖ Beginning Balance agrees to last years Ending Balance
- ❖ Transactions Accurately reflected in the Financial Statements
- ❖ All Activity Accounted for within the financial statements including the Supplemental AFRs

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## ***Audit Findings***

Deficiency in Internal Controls

Noncompliance

Segregation of Duties

Statute

3 Objectives:

1. Operations
2. Reporting
3. Compliance

Uniform Compliance  
Guidelines

Local Policies

Grant Requirements

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## ***Addressing the Internal Control Deficiency***

Step 1: Understand the Internal Control Deficiency

Step 2: Modify the Internal Control

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## ***Five Components***

**Control Environment**

**Risk Assessment**

**Control Activities**

**Information and Communication**

**Monitoring**

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## ***Risk Assessment***

Set Your Goals

Identify Risks that could Prevent you from reach the goals

Risk Analysis

Formulate a plan to address those Risks

Determine your Risk Tolerance

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## ***Monitoring***

Assess the Quality of Performance Over Time

Ensure that Audit Findings are Properly Resolved

Ensure that the Results of Internal Reviews are Resolved

Monitoring should be Ongoing & Separate Evaluations

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## ***Addressing the Finding***

**Need**

Need for Resolution

**Understand**

Understand the Problem

**Action**

Take Corrective Action

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# ***Audit Wrap up***

- ❖ Issues should be discussed throughout the process and at Exit
- ❖ Financial Report
  - Opinion of Financial Statements
- ❖ Supplemental Report
  - Any findings listed by Department
  - Official response
  - Corrective Action Plan

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## ***Official Response***

At Exit, You will be asked if you would like to provide an official response to the results and comments, in the Supplemental Compliance Report. The response would be in the form of a letter and would be included in the bound report made public.

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## Corrective Action Plan

- ❖ Packet will be given at exit conference
  - Templates and Instructions
- ❖ 10 Days to Respond
  - More time can be given
- ❖ Six Months to implement
  - May take more time to implement, Key is communication with our CAP team
- ❖ SBOA Review and Approval
- ❖ Report when implementation is complete
- ❖ SBOA Follow Up
  - Send in Documentation
  - Onsite Follow Up

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## Audit Reports

- ❖ Audit Reports are public and posted to our website:

INDIANA STATE BOARD OF ACCOUNTS

### Audit Report Filings

This index of Audit Reports issued by the Indiana State Board of Accounts is updated each day with reports released the previous day. If you wish to receive a copy of an audit report that is not available for download, please contact our office at (317) 232-2513. The cost of copies of audit reports is ten (10) cents per page. To speed up the process, have the report file date and number available when calling. These items can be obtained from the results of this search.

SEARCH

AUDIT YEARS

TO

AUDIT TYPE

COUNTY

UNIT TYPE

Filters

Unit Type

County

4806 records found. SEARCH CLEAR

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# Contact Us:

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