

TRAINING FOR NEWLY ELECTED COUNTY COMMISSIONERS

December 2018

Who is the State Board of Accounts?

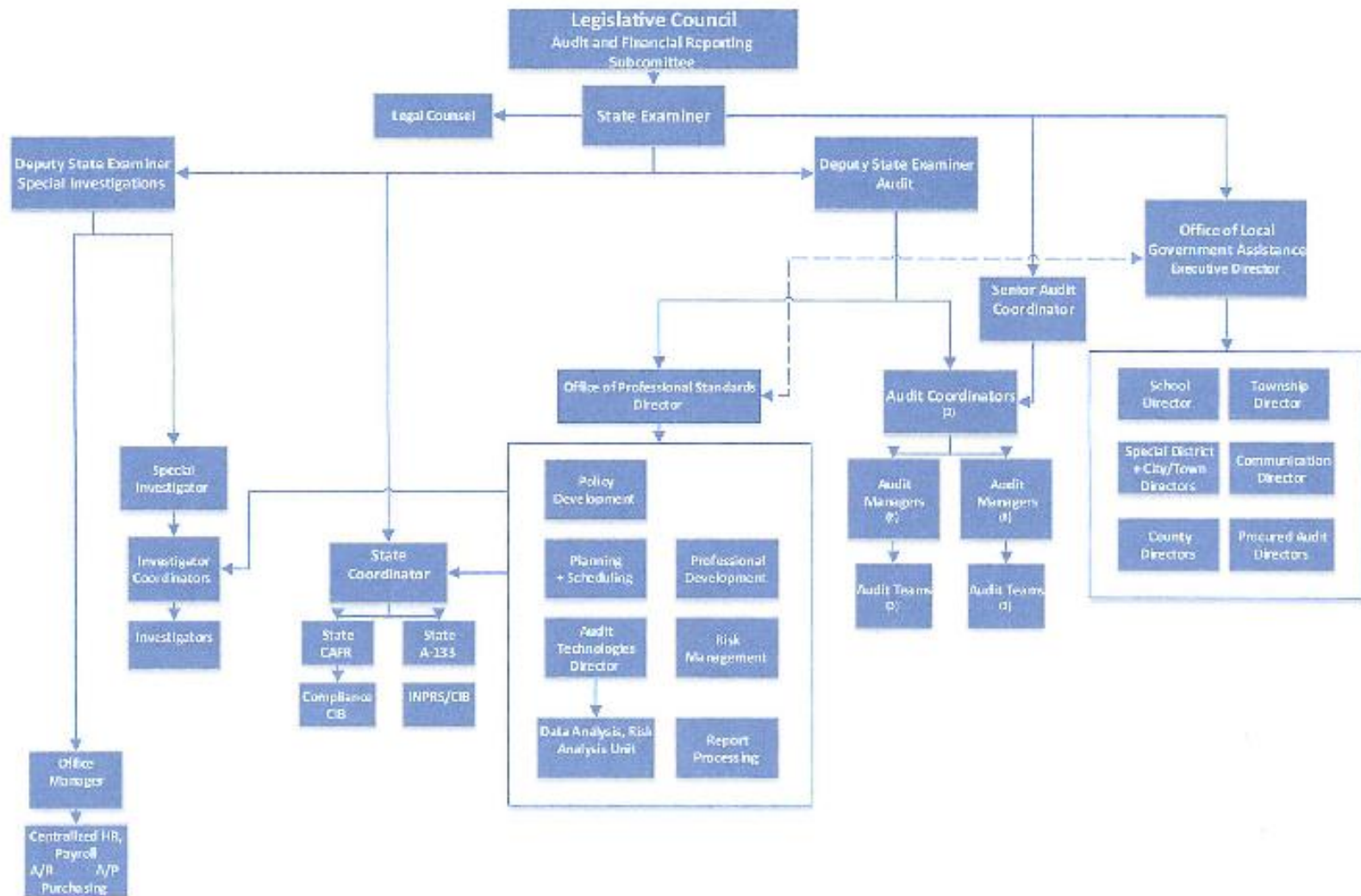
- We are the audit agency of the State of Indiana.
- Created in 1909 because of corruption.
- We audit all governmental units including counties, cities and towns, schools, townships, state agencies, universities, county hospitals, license branches, libraries, and special districts.
- Over 3000
- Audits are done by our field staff.

Who is the State Board of Accounts? (Continued)

- We are also required to prescribe the accounting records for all governmental units and to issue audit standards everyone must follow.
- These can be found in our manuals and our bulletins.
- Manual is not all inclusive but pretty thoroughly updated whenever possible.
- Bulletins issued quarterly in March, June, September and December.

Indiana State Board of Accounts Organization Chart

March 10, 2016



Contacting State Board of Accounts

- Mailing Correspondence:
State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, Indiana 46204-2765
- Fax: (317) 232-4711

State Board of Accounts Telephone Numbers

- State Examiner: Paul D. Joyce
 - Juanita Hendricksen, 317-232-2524
- Deputy State Examiner: Mike Bozymski
 - Caroline Conrad, 317-232-2507
- Deputy State Examiner: Tammy White
 - Daina Bacon, 317-232-2514
- Director of Audit Services: Debbie Gibson
 - Therese Bjortomt, 317-232-2512
- **Directors of Audit Services-County Specialists:**
- **Stephanie Heath and Lori Rogers**
 - **Therese Bjortomt, 317-232-2512**
- Receptionist: 317-232-2513

State Board of Accounts on the Web

- www.in.gov/sboa
- Email addresses:
 - Paul D. Joyce: pjoyce@sboa.in.gov
 - Mike Bozymski: mbozymski@sboa.in.gov
 - Tammy White: twhite@sboa.in.gov
 - Stephanie Heath: sheath@sboa.in.gov
 - Lori Rogers: lrogers@sboa.in.gov
 - Debbie Gibson: dgibson@sboa.in.gov

Other Important Contacts

- Auditor of State
 - Tera Klutz, CPA
 - Receptionist 317-232-3300
 - www.in.gov/auditor

- Department of Local Government Finance
 - www.in.gov/dlgf
 - Receptionist 317-232-3777
 - Wes Bennett, Commissioner, 317-234-5720

Other Important Contacts - Continued

- Secretary of State (Indiana Election Division)
 - Brad King, Co-Director, 317-233-0929
 - Angela Nussmeyer, Co-Director, 317-232-3940

- Office of Judicial Administration
 - www.in.gov/judiciary 317-232-2542
 - Jeff Wiese, Deputy Director, Indiana Office of Court Services
 - Mary DePrez, Director and Counsel, Trial Court Technology

Other Important Contacts - Continued

- Treasurer of State
 - Treasurer of State, 317-232-6386
 - www.in.gov/tos
- Department of Child Services (ISETS)
 - Cynthia Longest, Director of CSB, 317-233-4482
cynthia.longest@dcs.in.gov

Other Important Contacts - Continued

- Public Access Counselor
 - Luke Britt, 317-234-0906, 800-228-6013
 - www.in.gov/pac

- Indiana Archives and Records Administration
 - Chandler Lightly, Executive Director and State Archivist, 317-232-3380
 - Beverly Stiers, 317-232-3661, bstiers@icpr.in.gov

Other Important Contacts - Continued

- Secretary of State
 - 317-232-6531
 - Rebecca Longfellow, Director of Business Services
- Your Affiliate Association –Indiana Association of County Commissioners.
 - www.indianapoliscommissioners.com

Understanding the Audit Process

- Mission: “We are dedicated to providing the citizens of the State of Indiana with the complete confidence in the integrity and financial accountability of state and local government.”
- Engagements
- Access to records
- Entrance Conference
- Preliminary Audit Findings
- Exit Conference

Entrance Conference

- Required by Statement on Auditing Standards
- Requires effective two way communication between the auditor and those charged with governance in an audit of the financial statements.
- Executive members of the board are included with those charged with governance.

Entrance Conference

- Conducted in person with the fiscal officer at the beginning of the engagement
- Invite Board President or their designee
- Email other board members to notify them of our arrival and our availability to discuss any matters that should be brought to our attention and any concerns you may have.
- Discussion items include objective of the engagement, scope and timing of the engagement, audit procedures to be performed, approximate completion date, work schedules, engagement costs

Exit Conference

- Before an examination report is signed, verified, and filed, the officer or the Chief Executive Officer must have an opportunity to review the report and to file a written response IC 5-11-5-1(b)
- SBOA must hold a gathering (exit conference) of the
 - Employees or agents who are requested to attend by the office or chief Executive Office or entity examined
 - Office or Chief Executive Office or entity examined
 - Members of the legislative and fiscal bodies of the entity

Exit Conference

- Individuals attending may not electronically record the exit conference
- Majority of governing board preset results in an executive session.
- No obligation to give notice when participating in an exit conference

Additional exit conference may be requested

State Examiner determines additional action is required

Resolution is adopted requesting an exit conference

Exit Conference

- All information discussed and materials presented or delivered
- are confidential and may not be discussed publicly until the earliest of:
 - The final report is made public
 - The results of the audit are publicized
 - The Attorney General institutes an action on the basis of the preliminary report
- Unlawful before report is made public to make any disclosure of the result of any examination except:
 - To the State Examiner
 - Directed to give publicity to the report by the State Examiner
 - Deputy State Examiner, field examiner or private examiner
 - To the chair of the Audit Committee
- Exit conference information may be discussed with Officer, Employee, Consultant, Advisor, Attorney

Exit Conference

- Employee, public official or an employee or officer of a contractor or a subcontractor intentionally discloses information commits a Class A infraction under IC 5-14-3-10(a)
- A public employee may be disciplined in accordance with the county's personnel policies IC 5-14-3-10(b)

Exit Conference

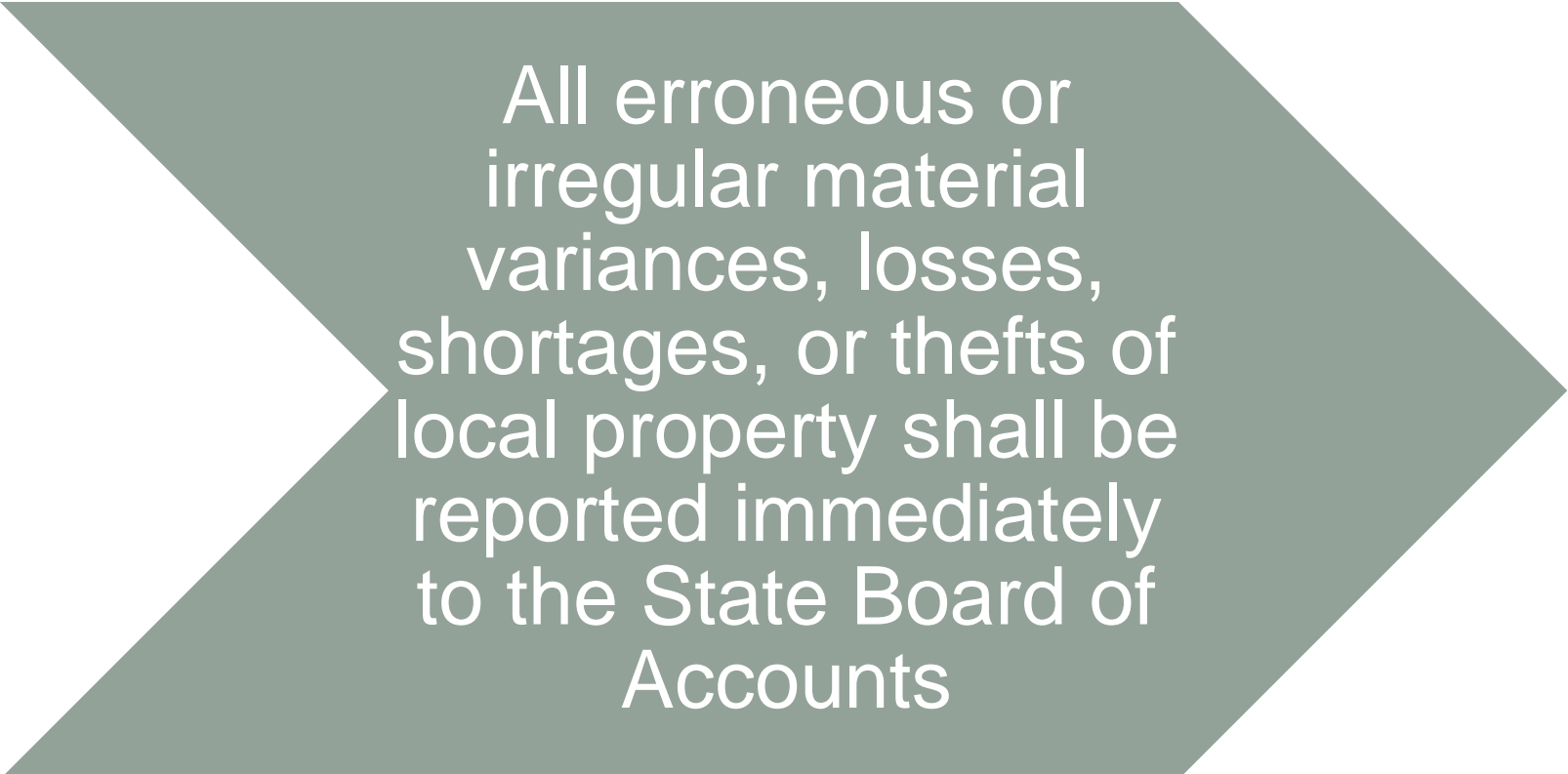
- “Infraction” means a violation of a statute for which the person may be fined but not imprisoned (IC 33-23-1-6)
- Prosecuting attorneys, within their jurisdictions, conduct all prosecutions for infractions. (IC 33-39-1-5(1))
- Judgement up to \$10,000 may be entered for a violation constituting a Class A infraction. (IC 34-28-5-4(a))

Audit Reports

- Financial Statement Audit Report
 - Financial Information: Statements and Notes
 - Audit Opinions
 - Federal Audit
- Supplemental Reports
 - Audit Results and Comments
 - You will have an exit conference at the end of the audit to report to you what was found and you also will have the right to respond to the report.

Required Reporting to State Board of Accounts

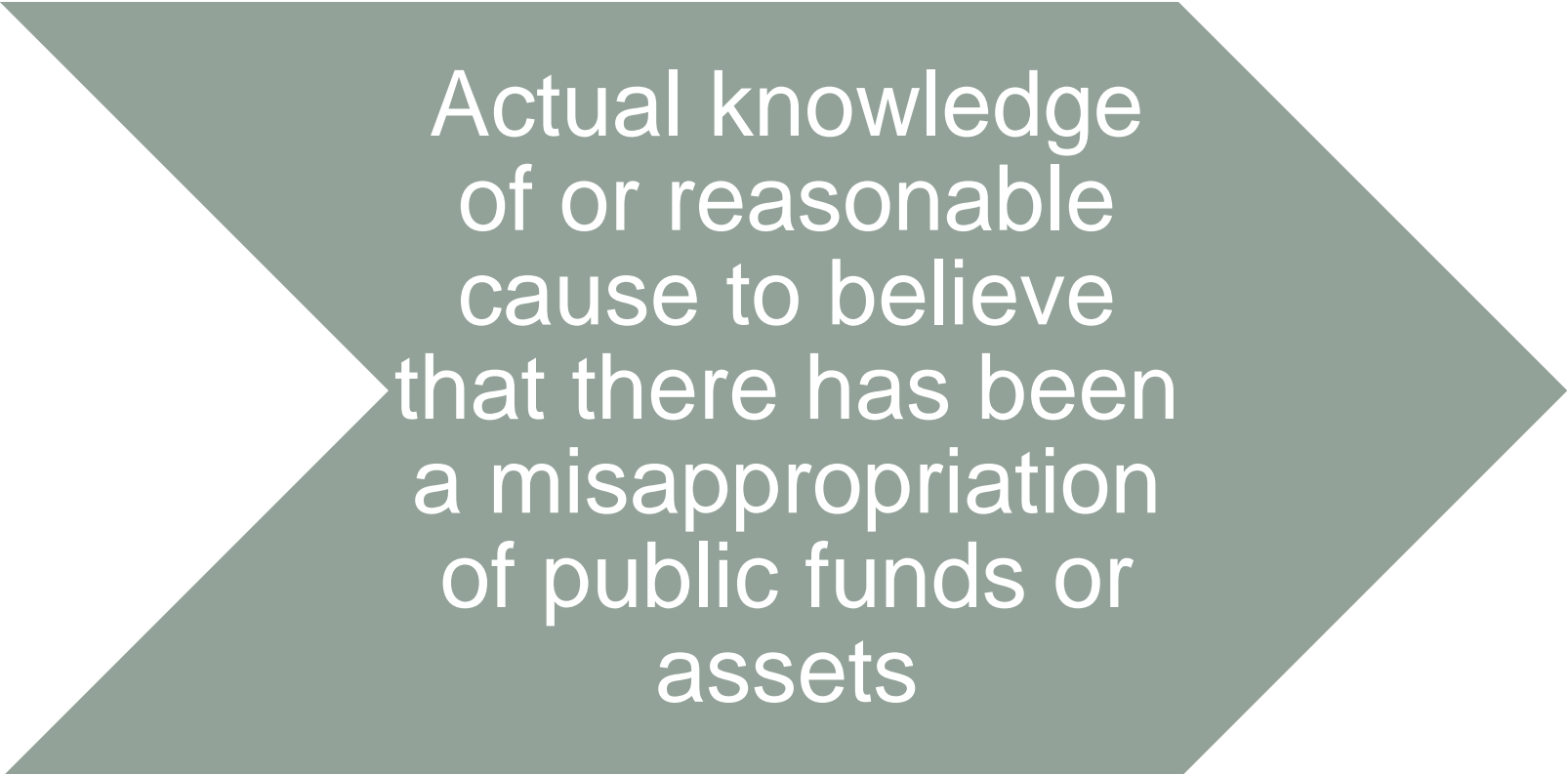
IC 5-11-1-27(j)



All erroneous or
irregular material
variances, losses,
shortages, or thefts of
local property shall be
reported immediately
to the State Board of
Accounts

Required Reporting to State Board of Accounts

IC 5-11-1-27(I)



Actual knowledge
of or reasonable
cause to believe
that there has been
a misappropriation
of public funds or
assets

Internal Control IC 5-11-1-27(c)(e)(g)(h)

- Adoption of Policy
- Training on Internal Controls
- Internal Control processes
- www.in.gov
- Under “Political Subdivisions”
- Internal Control Standards
- Uniform Internal Control Standards for Indiana Political Subdivisions

Local Policies

- Credit Cards/Debit Cards
- Procurement Policy
- Nepotism and Contracting Policies
- Travel Policy
- Investment Policy
- Leave and Overtime Policy
- Materiality
- Capital Assets

Repeat Audit Findings

- IC 5-11-5-1.5(c)
- If a subsequent examination report of the audited entity contains a finding that is the same as or substantially similar to the finding contained in the previous examination report described in subsection (b) the public officer of the entity shall file a corrective action plan as a written response to the report under section 1(b) of this chapter.

Corrective Action Plans

- Corrective Action Plans (CAP's) for repeat findings
- Discussed at exit interview
- Template on website – www.in.gov/sboa
- Ten days from date of exit to complete the CAP - note this is separate from an official response
 - May request more time
- Six months to implement and complete corrective action
- The goal is the resolution of audit findings.
- It is possible to disagree with the audit finding.

Audit Committee

- Audit Committee is established by IC 2-5-1.1-6.3
- If a Repeat finding is not resolved, the SBOA will present a memorandum to the Audit Committee
- The Audit Committee may
 - Request a written statement from the public officer
 - Request the personal attendance of the public officer
 - Request that the public officer take corrective action
 - Notify the executive officer and DLGF of the refusal to take corrective action
 - Refer for further investigation and possible prosecution
 - Recommend new legislation be introduced in the general assembly
 - Recommend SBOA to examine the entity within the next calendar year

Is there anything I need to do between now and when I take office?

- Absolutely
 - This training is a start.
 - Start looking at the website (manuals, bulletins).
 - Review recent audit reports
 - Review most recent Annual Financial Report
 - Talk and communicate with current officials.
 - Discuss transition.
 - Review minutes for recent meetings.
 - Review policies established for the county

Resources

- www.in.gov/sboa
- Under “Political Subdivisions”
- Under “Counties”
- Accounting and Compliance Guideline Manual
- Bulletins
- Best Practices
- Meeting Materials

Indiana Code

- iga.in.gov
- Don't be intimidated by this.
- Learn how to use it.
- Have it at your disposal.
- You will hear this referenced almost daily in conversation, training, and publications.

Educational Opportunities

- State Board of Accounts Annual State Called Conference
- AIC Annual Conference
- AIC Workshops
- Affiliate District Meetings
- Other State Agency Conferences

Miscellaneous Items

- You will be dealing with other county offices so you need to understand the importance of cooperation. Try to understand they have challenges and feelings also.
- You will be dealing with the press on occasion. Think about how you will proceed with this and whether you see them as allies or enemies.
- Remember your new role is in public service. Keep the citizens as the #1 reason for doing things.

Miscellaneous Items (Continued)

- You will at some time have to deal with angry people. Expect it and prepare to deal with it. They will not be at their best at times.
 - Have some procedure in place in case a real emergency comes up.
- Return phone calls.
- Government vs. Business
 - Higher rules of expectations.
 - More restrictions to activities.

Public office is a public trust. Officials and employees should serve the people with responsibility, integrity, loyalty and efficiency.

Final Thoughts

- Apprehensive, scared, unsure, maybe overwhelmed!!
- Normal in any new adventure.
- You have a lot of people who are wanting to help and are available to help.
- Don't hesitate to ask.
- **YOU ARE NOT ALONE!!**