

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

AUDIT REPORT  
OF

CLERK-TREASURER  
TOWN OF PATRIOT  
SWITZERLAND COUNTY, INDIANA

January 1, 2011 to December 31, 2012



**FILED**  
07/22/2014



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## TOWN OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda Fisk	01-01-08 to 12-31-15
President of the Town Council	James Caudill (Vacant) Mike Thomas Robert L. Robinson	01-01-11 to 04-19-11 04-20-11 to 06-20-11 06-21-11 to 12-31-11 01-01-12 to 12-31-14



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE TOWN OF PATRIOT

We have audited the records of the Clerk-Treasurer for the period from January 1, 2011 to December 31, 2012, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of the Town of Patriot for the year 2012.

STATE BOARD OF ACCOUNTS

March 6, 2014

CLERK-TREASURER  
TOWN OF PATRIOT  
AUDIT RESULTS AND COMMENTS

**ADDITIONAL COMPENSATION PAID TO CLERK-TREASURER**

Linda Fisk, Clerk-Treasurer, who also performs duties for the Town's utilities, was paid a \$650 Christmas bonus during the year 2012 from the Water Operating fund. Salary ordinance No. 2011-12-1, passed by the Town Council on December 21, 2011, for compensation to be paid in the year 2012, did not include a Christmas bonus for the year 2012 for the Clerk-Treasurer. The net pay (excluding payroll withholdings) for the additional compensation paid was \$496.74.

Indiana Code 36-5-3-2 states in part the following:

"(a) As used in this section, 'compensation' means the total of all money paid to an elected town officer for performing duties as a town officer, regardless of the source of funds from which the money is paid. . . .

(c) The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year."

Upon our request, Linda Fisk, Clerk-Treasurer, refunded \$496.74 to the Town of Patriot. (See Summary of Charges, page 7)

**INTERNAL CONTROL DEFICIENCY**

The Town officials stated that additional compensation paid to the Clerk-Treasurer (see Audit Result and Comment titled "Additional Compensation Paid to Clerk-Treasurer") was paid because Town officials were not aware that the Christmas bonus was omitted from the year 2012 salary ordinance. Town officials stated that a Christmas bonus for the Clerk-Treasurer had historically been included in the salary ordinance. The Town Council approved the payroll claim that authorized the Christmas bonus paid to the Clerk-Treasurer.

The salary ordinance is a part of the internal control process over payroll. It is the responsibility of the Clerk-Treasurer's office's to audit payroll claims for compliance with the salary ordinance. It is the Town Council's responsibility to be aware of Town ordinances when approving disbursements. Because Town officials were not aware that the Christmas bonus was not included on the salary ordinance, their respective reviews of the payroll did not provide an adequate segregation of duties.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CLERK-TREASURER  
TOWN OF PATRIOT  
EXIT CONFERENCE

The contents of this report were discussed on March 6, 2014, with Linda Fisk, Clerk-Treasurer, and Robert L. Robinson, President of the Town Council. An Official Response from Linda Fisk, Clerk-Treasurer, has been made a part of this report and may be found on page 6.

# **TOWN of PATRIOT, INC.**

Office of the Town Board  
Patriot, Indiana 47038  
(812) 594-2243

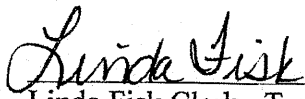
**March 7, 2014**

**State Board of Accounts  
Exit Conference  
Town Of Patriot Clerk- Treasurer  
Official Response**

To Whom It May Concern:

I Linda Fisk Clerk Treasurer of the Town of Patriot have been told by our field examiners during our exit conference that I must pay back a Christmas Bonus paid to me in 2012, because it was not in the salary ordinance, and that an elected official can not receive bonuses. I was not aware of this as I have been employed here for 30 years, but I have been Clerk Treasurer since 2008. The previous Clerk Treasurer received the bonuses before me. The bonus was also approved by the council in the employee hand book and by signing off on the bills. As I have said I have only been Clerk Treasurer since 2008 and every day I am learning something new with the many changing council members we have had and all the laws and codes.

Sincerely,

  
Linda Fisk Clerk - Treasurer



CLERK-TREASURER  
TOWN OF PATRIOT  
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Linda Fisk, Clerk-Treasurer:			
Additional Compensation Paid to Clerk-Treasurer,			
page 4	\$ 496.74	\$	\$
Refunded by Linda Fisk, Receipt No. 16371,			
March 7, 2014	<u>          </u>	<u>496.74</u>	<u>          -</u>
Totals	<u>\$ 496.74</u>	<u>\$496.74</u>	<u>\$          -</u>