

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF AUBURN

DEKALB COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
08/08/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
City of Auburn Municipal Utilities:	
Audit Result and Comment:	
Ordinances and Resolutions	6
Official Response.....	7
Exit Conference	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patricia M. Miller	01-01-12 to 12-31-15
Mayor	Norman E. Yoder	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Norman E. Yoder	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Dennis Ketzenberger Dr. David Painter	01-01-13 to 12-31-13 01-01-14 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF AUBURN, DEKALB COUNTY, INDIANA

This report is supplemental to our audit report of the City of Auburn (City), for the period from January 1, 2013 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the City, which provides our opinions on the City's financial statement and federal program compliance. 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

June 19, 2014

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CITY OF AUBURN MUNICIPAL UTILITIES

CITY OF AUBURN MUNICIPAL UTILITIES
AUDIT RESULT AND COMMENT

ORDINANCES AND RESOLUTIONS

The Electric Utility has an approved rate structure concerning the rates for electric usage. This rate structure includes a Purchased Power Cost Adjustment Tracking Factor. We noted that the tracking factor was not charged to some customers for the billings in October of 2013. The Electric Utility bills 5 series (groups of customers) each month, and series 2, 3, and 4 did not have the tracking factor included in the bill calculation. By not charging the tracking factor, the Electric Utility lost approximately \$109,437 in revenue.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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's Office

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Patricia M. Miller
Clerk-Treasurer

June 19, 2014

City of Auburn Audit Official Response

This document is in response to the Audit Results and Comments presented during the exit conference for the recently completed audit of the Civil City of Auburn.

- Comment: ORDINANCES AND RESOLUTIONS

Explanation: While testing a new software release, the tracking factor was erroneously changed in the LIVE database instead of the TEST database resulting in loss of the charge for cycles 2, 3, and 4 in October of 2013. There wasn't an accurate way to correct this since customers had already paid the bills as presented.

Corrective Action: In order to strengthen the controls over the preparation of the utility billings, the Information Systems Department has brightly color coded the Logos.NET financial software to better distinguish between the LIVE and TEST databases. In addition, we are conducting a full audit of the utility billings prior to final posting and mailing to customers.

The City of Auburn, as noted above, will make all necessary changes in our procedures to avoid future issues.

Thank you for your guidance and assistance.


Patricia M. Miller, Clerk-Treasurer

6.19.2014
Date

CITY OF AUBURN MUNICIPAL UTILITIES
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2014, with Patricia M. Miller, Clerk-Treasurer; Norman E. Yoder, Mayor; and Dr. David Painter, President Pro Tempore of the Common Council.