

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF WALKERTON

ST. JOSEPH COUNTY, INDIANA

January 1, 2012 to December 31, 2013



**FILED**  
09/29/2014



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Theresa Buckmaster	01-01-12 to 12-31-15
President of the Town Council	Karol Jackson	01-01-12 to 12-31-14



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF THE TOWN OF WALKERTON, ST. JOSEPH COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Walkerton (Town), for the period from January 1, 2012 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the Town, which provides our opinions on the Town's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

The Federal Finding, identified in the above referenced audit report, is included in this report and should be viewed in conjunction with the Audit Results and Comments as described below.

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 Corrective Action Plan for the Federal Finding, incorporated within this report, was not verified for accuracy.

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

August 7, 2014

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CLERK-TREASURER  
TOWN OF WALKERTON

CLERK-TREASURER  
TOWN OF WALKERTON  
FEDERAL FINDING

***FINDING 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

We noted a deficiency in the internal control system of the Town related to financial transactions and reporting that we believe constitutes a material weakness. Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Town's audited financial statement and then determining how those identified risks should be managed. The Town has not identified risks to the preparation of a reliable financial statement and Schedule of Expenditures of Federal Awards (SEFA) and as a result has failed to design effective controls over the preparation of the financial statement and SEFA to prevent, or detect material misstatements, including notes to the financial statement and SEFA. The Clerk-Treasurer independently prepares the financial statement and the SEFA without oversight, review, or approval.

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)

**TOWN OF WALKERTON**  
**301 Michigan St.**  
**Walkerton, Indiana 46574**

(574)586-3711 Office

*Office of the Clerk Treasurer*

(574)586-2248 Fax

CORRECTIVE ACTION PLAN

**FINDING 2013-001 – Internal Controls Over Financial Transactions and Reporting**  
**Federal Agency:** Department of Housing and Urban Development  
**Federal Program:** Community Development Block Grants  
**CFDA Number:** 14.228  
**Federal Award Number:** CF-11-216 & NSP1-009-021

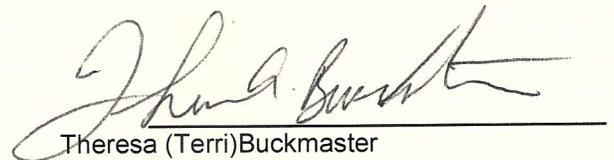
Contact Person Responsible for Corrective Action: Theresa Buckmaster  
Contact Phone Number: 574-586-3711

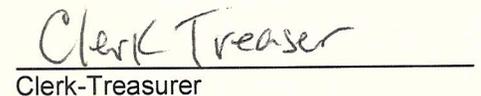
Description of Corrective Action Plan:

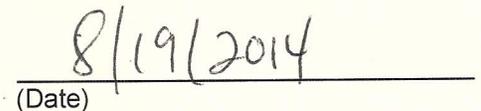
I, as the Clerk Treasurer of The Town of Walkerton, I will verify all transactions of grant and federal monies with the Walkerton Economic Director, ERC, Employee of Responsible Charge. This will include all transactions, deposits, expenses and all reporting.

Anticipated Completion Date:

As of 8/1/2014

  
\_\_\_\_\_  
Theresa (Terri) Buckmaster

  
\_\_\_\_\_  
Clerk-Treasurer

  
\_\_\_\_\_  
(Date)

CLERK-TREASURER  
TOWN OF WALKERTON  
AUDIT RESULTS AND COMMENTS

**APPROPRIATIONS**

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	2012	2013
Riverboat	\$ 1,137	\$ -
Rainy Day	8,974	1,919
Major Moves	86,197	27,590
Excess Welfare Distribution	6,458	421
County Economic Dev Tax	207,568	218,278
Walkerton Continue Education	2,011	6,059

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**DELINQUENT WASTEWATER ACCOUNTS**

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property. The Clerk-Treasurer estimated that her office has not filed delinquent wastewater accounts with the County Recorder and County Auditor for at least the past two years. The Clerk-Treasurer provided us with a current delinquent wastewater fee report that included several delinquent accounts with balances exceeding \$40, which included late payment penalties.

CLERK-TREASURER  
TOWN OF WALKERTON  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.
  - (B) A description of the premises, as shown by the records of the county auditor.
  - (C) The amount of the delinquent fees, together with the penalty.
- (2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May."

CLERK-TREASURER  
TOWN OF WALKERTON  
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2014, with Theresa Buckmaster, Clerk-Treasurer.