



STATE OF INDIANA
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B47104

STATE BOARD OF ACCOUNTS
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October 25, 2016

TO: THE OFFICIALS OF THE TOWN OF OXFORD, BENTON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Oxford (Town), for the period of January 1, 2011 to December 31, 2012, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Town's financial statements, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of the Town.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Town can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Unresolved Comments from Prior Report

- *The minutes for 11 Town Council meetings were not presented for review. This included Council minutes from April, June, September, October, and November for 2011, and January, April, and July for 2012. The minutes of the meetings were not always approved by the Town Council.*
- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for the payroll bank account. The payroll bank account balance was less than the ledger balance by \$4,301 and \$2,733 for 2011 and 2012, respectively.*

Current Period Comments

- *Receipts were not issued at the time money was received.*
- *The Town did not have a credit card policy approved by the Town Council.*

- *Internal Revenue Service (IRS) Wage and Tax Statement Form W-2 (W-2) was not reconciled to the Employee Earnings Record. As a result, \$1,700 and \$1,751 in wages were not reported on an employee W-2's for the years 2011 and 2012, respectively.*
- *Three of the eight Employer Quarterly Federal Tax Returns (IRS Form 941) were filed up to 141 days after the due date.*
- *The Town's fire department did not maintain accurate records relating to their donation and fundraising account.*
- *The Town's fire department donation and fundraising account was not included in the Town's Annual Financial Report.*

This letter is intended for the information and use of the governing body and management of the Town. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on August 29, 2016, with Christie Hale, Clerk-Treasurer, and Tina M. Coffman, President of the Town Council. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner



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CHRISTIE HALE
CLERK-TREASURER

September 19, 2016

State Board of Accounts
302 Washington St., Room E418
Indianapolis, Indiana 46204-2765

Re: OFFICIAL RESPONSE

To Whom It May Concern,

In response to the Town of Oxford Clerk Treasurer examination results and comments noted in the January 1, 2013 to December 31, 2014 audit report, I, Christie Hale, the Clerk-Treasurer for this period, respond with the following corrective action plan:

- At the April 18, 2016 regular council meeting, the town council voted to hire a consultant to reconcile the payroll account up-to-date. At the present time, a consultant is contracted and the reconciliations of this account are in process.
- At the April 18, 2016 regular council meeting, the town council discussed changing payroll policies so that there is more time to permit the Clerk-Treasurer to process payroll. Beginning with the first payroll in June, 2016 all checks will be distributed on the Friday following the close of the pay period with all documents required to process payroll being due to the Clerk-Treasurer by noon on Monday of that week. There will be no exceptions and no early payroll check distributions.
- The Clerk-Treasurer will contact the IRS to determine whether it is necessary to re-issue a corrected W-2 for the erroneous 2014 W2 and review the transaction to make sure no other reports were affected such as the W3. The year-end process will be reviewed to make sure the wage and tax statement is reconciled to the employee earnings record prior to W-2 distribution to employees so that this cannot reoccur.
- Effective prior to the state board of accounts auditor having left the site, the Clerk-Treasurer and staff began issuing receipts using the Keystone Fund software at the time of the transaction. Prior to this, only face-to-face receipts had been issued consistently at the time of transaction. Miscellaneous, general fund, non-utility revenue received by mail or electronically had previously been documented manually in a cash book and posted in the software at month end. This was thought to have been a means to save time and was the way the current Clerk-Treasurer was trained. With this new information from the state board of accounts, the new policies have been implemented.
- The Annual Financial Report has been filed late. With new internal controls being devised and implemented in 2016, the filing of the annual financial report should be more streamlined and timely in the future.
- The reconciliations of all bank accounts except the payroll fund are reconciled monthly. As of April 21, 2016 they are reconciled through year end. At the time of the exit conference, on April 7, 2016, there was a reconciling item that needed to be found that held up reconciling in one account; all other accounts were reconciled, except payroll as previously stated. I was unaware that the term, "reconciled monthly," meant that there was a specific deadline for the completion of the monthly reconciliation. This new policy will be implemented so that when the accounts are

reconciled up-to-date, they will be maintained in a way that they are reconciled at least by the end of the following month.

Additionally, in response to the Town of Oxford Fire Department examination results and comments noted in the January 1, 2013 to December 31, 2014 audit report, I, Christie Hale, the Clerk-Treasurer for this period, feel it relevant to note that the town's attorney Jud Barce of Barce and Reece, P.C. in Fowler, Indiana has advised the town elected officials that since the fire department has since incorporated as of March, 2016, the funds that are held by the fire department are not necessary to be reported on the town's ledger and may be held in a bank account separate from the town funds.

Please feel free to contact me if you have any questions or need any additional information.

Respectfully,
Christie Hale
Oxford Clerk-Treasurer



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September 19, 2016

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RE: Official Response

To Whom It May Concern,

On behalf of Oxford Town Council, I am writing to give you our response to the recent examination results and comments presented to the town council during the audit of the town's records of 2011-2014. I will be going through each item and present our corrective plan of action for the future.

1. Minutes were not presented for examination for January 13, 2014 and from May 2015 to current:
 - a. We are currently looking into taping the meetings and putting the recording in a program that will transcribe the minutes.
 - b. There are minutes that have been hand written but not typed and approved by the council
 - i. Our clerk will now be transcribing those and will be presenting two per council meeting until they are up to date.
2. The Town Council has not adopted a formal policy for governing the uses of the Town's credit card:
 - a. We will be implementing a credit card policy according to the State Board of Accounts' best practices along with input from our attorney. Currently, our Attorney is drafting the policy for the council's consideration, adoption, and implementation.

Please feel free to contact me if you have any questions or need any additional information.

Respectfully,

Tina Coffman
Oxford Town Council President