

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF MITCHELL

LAWRENCE COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

01/09/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mark A. Bryant Susie Mann	01-01-19 to 04-30-23 05-01-23 to 12-31-23
Mayor	John D. England (Vacant) Nathan Jenkins	01-01-19 to 10-28-22 10-29-22 to 11-13-22 11-14-22 to 12-31-23
President of the Board of Public Works	John D. England (Vacant) Nathan Jenkins	01-01-19 to 10-28-22 10-29-22 to 11-13-22 11-14-22 to 12-31-23
President Pro Tempore of the Common Council	Larry P. Caudell	01-01-19 to 12-31-23
Superintendent of Utilities	Tyler Duncan	01-01-19 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CITY OF MITCHELL, LAWRENCE COUNTY, INDIANA

This report is supplemental to the audit report of the City of Mitchell (City), for the period from January 1, 2019 to December 31, 2022. 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 the Financial Statements Audit Report of the City, which provides our opinions on the City's financial statements. 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 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 Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

December 14, 2023

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CLERK-TREASURER
CITY OF MITCHELL

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

The same comment appeared in prior Report B53364.

Condition and Context

The City had not established an adequate system of the internal controls related to financial transactions and reporting. A proper internal control system would include adequate internal control activities, an internal control environment, performance of risk assessment procedures, and monitoring of internal controls. The City had not separated incompatible activities related to cash and investments, receipts, disbursements, and financial close and reporting.

Cash

An effective system of internal controls over cash and investments was not established by the City. Although the Deputy Clerk-Treasurer prepared the bank reconciliation and the Clerk-Treasurer reviewed the reconciliation, there was no documentation of the review.

Receipts

The Deputy Clerk-Treasurer was solely responsible for all aspects of receipting and depositing monies of the City (excluding the utilities). There were no internal controls in place, such as an oversight, review, or approval process.

Disbursements

One employee was solely responsible for preparing the claims, issuing, distributing the checks, posting the disbursement to the ledger, and verifying that the claim was an obligation of the City. Management had not established a system of internal controls that would have ensured the proper posting of disbursements. There was no segregation of duties such as an oversight, review, or approval process.

Financial Close and Reporting

The Clerk-Treasurer entered and submitted financial information for the City into the Indiana Gateway for Government Units financial reporting system, which was the source for the Annual Financial Report and financial statements. There was no evidence of an internal control, such as an oversight, review, or approval process to ensure the accuracy of the information entered and submitted.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

"The control environment is the basic commonality for all and comprises the integrity and ethical values of the political subdivision established by the oversight body and management. The standards, processes, and structures which form the control environment pervasively impact the overall system of internal control. The oversight body and management convey leadership expectations, and overall tone which are reinforced by all officials and management throughout the various offices and departments. The control environment also contains the overall accountability structure for all employees through performance and reward measures. Within this structure, leadership demonstrates commitment to the political subdivision by having a process for attracting, developing, and retaining competent individuals. This component is static in that its underpinnings do not generally change with a given objective."

"Risk is the possibility that an event will occur and adversely affect the achievement of objectives. Risk assessment is the process used to identify and assess internal and external risks to the achievement of objectives, and then establish risk tolerances. Each identified risk is evaluated in terms of its impact and likelihood of occurrence. Overall, risk assessment is the basis for determining how risk will be managed. . . .

Management identifies risks to the achievement of the political subdivision's objectives across the unit as a whole and within each office or department. Analysis of risk through determination of objective measures and variance tolerance is the basis for determining how the risks should be managed. The response to risk is selected: acceptance, avoidance, reduction, or sharing.

Internal control is a process, and part of that process is the responsibility for management to be continually aware of changes, both external and internal, that could affect the achievement of the political subdivision's objectives. Those changes should be analyzed for both their immediate effect and for any future impact. Management would then determine any modifications needed in the internal control process to adapt to these changes."

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report B53364, entitled *ANNUAL FINANCIAL REPORT*.

Condition and Context

The Annual Financial Reports for 2019, 2020, 2021, and 2022 contained a number of reporting errors. The total receipts, disbursements, and cash and investments balances reported were understated or overstated as follows:

Years	Fund	Beginning Cash and Investments (Under)/Overstated	Receipts (Under)/Overstated	Disbursements (Under)/Overstated	Ending Cash and Investments (Under)/Overstated
2019	City of Mitchell INDOT	\$ -	\$ (82,479)	\$ (269,719)	\$ 187,240
2019	General Fund	-	82,350	-	82,350
2020	City of Mitchell INDOT	187,240	(5)	(10,397)	197,632
2020	General Fund	82,350	-	(147,025)	229,375
2021	City of Mitchell INDOT	197,632	-	(151,734)	349,366
2021	General Fund	229,375	-	(149,025)	378,400
2021	INDOT COMMUNITY CROSSINGS	-	-	93,892	(93,892)
2022	City of Mitchell INDOT	349,366	-	-	349,366
2022	General Fund	378,400	-	(148,500)	526,900
2022	INDOT COMMUNITY CROSSINGS	(93,892)	-	-	(93,892)

Audit adjustments were proposed, accepted by the City, and made to the financial statements of the City.

In addition to the adjusted misstatements above, the state distributions for Local Road and Street (LRS) were incorrectly recorded in the Motor Vehicle Highway fund and not into the State Distribution LRS fund. These LRS distributions were not proposed for adjustment.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

BANK ACCOUNT RECONCILIATIONS

The same comment also appeared in prior Report B53364.

Condition and Context

Accurate bank account reconciliations were not performed for all bank accounts during 2019, 2020, 2021, and 2022. The reconciliations performed were not compared to the City's ledgers, as a result, significant transactions were not recorded in the ledger or detected by management when performing bank reconciliations.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CAPITAL ASSETS

Condition and Context

The capital asset information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system was materially overstated when compared to the City's Asset Report. Documentation could not be provided to support the capital asset information entered into Gateway. The City decided not to include the Schedule of Capital Assets in the Financial Statements Audit Report of the City.

In addition, a completed physical inventory of capital assets owned by the City had not been completed in the past two years. Additionally, the City did not have a capital assets policy that detailed the threshold at which an item is considered a capital asset.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

FUND SOURCES AND USES - TRANSFERS

Condition and Context

Entries into the Indiana Gateway for Government Units financial reporting system identified as Transfers Out did not equal entries identified as Transfer In for the 2019, 2020, and 2021 audit years. In addition, the City was not able to provide bond ordinances to verify the amounts transferred for debt payments were correct.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

OVERDRAWN CASH BALANCES

This same comment appeared in a Management Letter addressed to the Clerk-Treasurer, Board of Public Works, and Common Council for the audit period ending December 31, 2018.

Condition and Context

The financial statement presented in the Financial Statements Audit Report included the following funds with overdrawn cash balances at December 31, 2019, 2020, 2021, and 2022:

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

Fund	2019 Amount Overdrawn	2020 Amount Overdrawn	2021 Amount Overdrawn	2022 Amount Overdrawn
State Distribution LRS	\$ 85,758	\$ 104,422	\$ 181,208	\$ 202,756
Rainy Day Fund	-	76,273	78,157	-
Fireworks Fund	-	7,655	10,185	12,470
Payroll Net	2,289	2,289	2,289	40,780
Payroll Federal Withhol	-	-	-	10,436
Payroll FICA Withholdin	-	59	399	10,817
Payroll Medicare Withho	4,328	4,350	4,414	7,502
Payroll County Adj. Gro	1,435	929	1,614	4,038
Payroll PERF Withholdin	3,825	3,809	3,809	7,604
Payroll Police Pension	2,615	5,002	11,343	23,799
Payroll American United L	7,010	7,010	7,010	7,010
Payroll AULI/LTD	5,053	5,007	4,985	4,985
Garnish J Herald	5,675	5,675	5,675	5,675
Garnish - Matt England	1,310	1,310	1,310	1,310
Garnishee Tyler Duncan	-	-	-	73
Garnishee T Terrell	-	-	-	116
Garnishee Farly	2,722	2,722	2,722	2,722
Direct Deposit Clearing	-	-	-	38,289
Sewage Capital Projects	102,039	102,039	102,039	102,039

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

LATE SUBMISSION OF ANNUAL FINANCIAL REPORT

The same comment appeared in a Management Letter addressed to the Clerk-Treasurer, Board of Public Works, and Common Council for the audit period ending December 31, 2018.

Condition and Context

The City's Annual Financial Reports for 2019, 2020, 2021, and 2022 were not filed electronically until May 5, 2020, March 5, 2021, April 11, 2022, and April 4, 2023, respectively. The reports were filed 64, 4, 41, and 34 days past the due date, respectively.

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

PUBLIC PURCHASES

Condition and Context

The City paid \$571,192 to one vendor to perform work on the Water and Sewage Utilities' infrastructure. The City did not obtain competitive bids for this work. Quotes were obtained by the City in the amount of \$238,399 for work to be performed and paid with the American Rescue Plan Act (ARPA) grant money; however, there was no documented evidence of competitive quotes being requested.

Criteria

Indiana Code 36-1-12-4 states in part:

"(a) This section applies whenever the cost of a public work project will be at least one hundred fifty thousand dollars (\$150,000).

(b) The board must comply with the following procedure:

- (1) The board shall prepare general plans and specifications describing the kind of public work required, but shall avoid specifications which might unduly limit competition. If the project involves the resurfacing (as defined by [IC 8-14-2-1](#)) of a road, street, or bridge, the specifications must show how the weight or volume of the materials will be accurately measured and verified.
- (2) The board shall file the plans and specifications in a place reasonably accessible to the public, which shall be specified in the notice required by subdivision (3).
- (3) Upon the filing of the plans and specifications, the board shall publish notice in accordance with [IC 5-3-1](#) calling for sealed proposals for the public work needed. If the board receives electronic bids as set forth in subsection (d), the board shall also provide electronic access to the notice of the bid solicitation through the computer gateway administered under [IC 4-13.1-2-2\(a\)\(6\)](#) by the office of technology.
- (4) The notice must specify the place where the plans and specifications are on file and the date fixed for receiving bids.
- (5) The period of time between the date of the first publication and the date of receiving bids shall be governed by the size of the contemplated project in the discretion of the board. The period of time between the date of the first publication and receiving bids may not be more than:

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

- (A) six (6) weeks if the estimated cost of the public works project is less than twenty-five million dollars (\$25,000,000); and
- (B) ten (10) weeks if the estimated cost of the public works project is at least twenty-five million dollars (\$25,000,000).
- (6) The board shall require the bidder to submit a financial statement, a statement of experience, a proposed plan or plans for performing the public work, and the equipment that the bidder has available for the performance of the public work. The statement shall be submitted on forms prescribed by the state board of accounts.
- (7) The board may not require a bidder to submit a bid before the meeting at which bids are to be received. The meeting for receiving bids must be open to the public. All bids received shall be opened publicly and read aloud at the time and place designated and not before. Notwithstanding any other law, bids may be opened after the time designated if both of the following apply:
- (A) The board makes a written determination that it is in the best interest of the board to delay the opening.
- (B) The day, time, and place of the rescheduled opening are announced at the day, time, and place of the originally scheduled opening.
- (8) Except as provided in subsection (c), the board shall:
- (A) award the contract for public work or improvements to the lowest responsible and responsive bidder; or
- (B) reject all bids submitted.
- (9) If the board awards the contract to a bidder other than the lowest bidder, the board must state in the minutes or memoranda, at the time the award is made, the factors used to determine which bidder is the lowest responsible and responsive bidder and to justify the award. The board shall keep a copy of the minutes or memoranda available for public inspection.
- (10) In determining whether a bidder is responsive, the board may consider the following factors:
- (A) Whether the bidder has submitted a bid or quote that conforms in all material respects to the specifications.
- (B) Whether the bidder has submitted a bid that complies specifically with the invitation to bid and the instructions to bidders.
- (C) Whether the bidder has complied with all applicable statutes, ordinances, resolutions, or rules pertaining to the award of a public contract.
- (11) In determining whether a bidder is a responsible bidder, the board may consider the following factors:
- (A) The ability and capacity of the bidder to perform the work.

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

- (B) The integrity, character, and reputation of the bidder.
- (C) The competence and experience of the bidder.
- (12) The board shall require the bidder to submit an affidavit:
 - (A) that the bidder has not entered into a combination or agreement:
 - (i) relative to the price to be bid by a person;
 - (ii) to prevent a person from bidding; or
 - (iii) to induce a person to refrain from bidding; and
 - (B) that the bidder's bid is made without reference to any other bid. . . .
- (d) Notwithstanding subsection (b), a board may receive electronic bids for the public work if:
 - (1) the solicitation for bids indicates the procedure for transmitting the electronic bid to the board; and
 - (2) the board receives the bid on a facsimile machine or system with a security feature that protects the content of an electronic bid with the same degree of protection as the content of a bid that is not transmitted by a facsimile machine.
- (e) A board may select a vendor to provide an electronic platform to accommodate the electronic bidding process."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

A similar comment also appeared in the prior Report B53364, entitled *CERTIFICATION ON INTERNAL CONTROL STANDARDS*.

Condition and Context

The City incorrectly certified for 2019, 2020, 2021, and 2022 on the Indiana Gateway for Government Units financial reporting system that all personnel defined by Indiana Code 5-11-27(c) had received training on internal control standards adopted by the City. However, all required personnel had not received training concerning the internal control standards.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

Condition and Context

The City did not upload the required monthly and annual uploads for 2019, 2020, 2021, 2022, and year-to-date 2023 into the Indiana Gateway for Government Units financial reporting system as required by Amended State Examiner Directive 2018-1.

Criteria

All counties, cities, towns, townships, libraries, schools, and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

A user guide for the Engagement Uploads is available and located at: <https://gateway.ifionline.org/userguides/engagementguide> **It is pertinent that this user guide be used in conjunction with this Directive.** It provides critical information to you that will help guide you to uploading the correct documents.

(Amended State Examiner Directive 2018-1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

The City did not create a Motor Vehicle Highway (MVH) Restricted fund for 2019, 2020, 2021, or 2022 as required; therefore, the City did not post 50 percent of the state MVH distributions to a MVH Restricted fund. The City should have posted to a MVH Restricted fund \$93,614; \$82,562; \$91,247; and \$86,347; in 2019, 2020, 2021, and 2022, respectively.

Criteria

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

The purpose of this Directive is to authorize and require . . . cities, and towns that receive distributions from the State Motor Vehicle Highway Account to **create a new sub-fund within the MVH Fund** to properly manage and account for the usage restrictions that were included in House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018. . . .

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows:

...

Cities and Towns

Fund 201	MVH
Fund 203	MVH Restricted

Together, MVH and MVH Restricted shall constitute the total MVH Fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report and Annual Operational Report.

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. . . .

(State Examiner Directive 2018-2)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

APPROPRIATIONS

The same comment also appeared in prior Reports B46355 and B53364.

Condition and Context

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

Fund	Years	Excess Amount Expended
GENERAL FUND	2019	\$ 611,933
STATE DISTRIBUTION LRS	2019	25,630
MOTOR VEHICLE HIGHWAY	2019	69,998
GENERAL FUND	2020	702,980
STATE DISTRIBUTION LRS	2020	3,664
TRANSPORTATION OPERATING	2020	231
GENERAL FUND	2021	888,561
STATE DISTRIBUTION LRS	2021	61,786
GENERAL FUND	2022	969,178
MOTOR VEHICLE HIGHWAY	2022	45,896
PARK & RECREATION	2022	2,925

CLERK-TREASURER
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 36-4-8-2 states in part:

". . . Unless a statute provides otherwise, the fiscal officer may draw a warrant against a fund of the city only if:

- (1) an appropriation has been made for that purpose and the appropriation is not exhausted;. . ."

CLERK-TREASURER
CITY OF MITCHELL
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2023, with Susi Mann, Clerk-Treasurer; Mark A. Bryant, former Clerk-Treasurer; Nathan Jenkins, Mayor; Larry P. Caudell, President Pro Tempore of the Common Council; Vicky Schlegel, Common Council member; and George James, Common Council member.

COMMON COUNCIL
CITY OF MITCHELL

COMMON COUNCIL
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS

TRAINING ON INTERNAL CONTROLS STANDARDS

A similar comment also appeared in prior Report B53364, entitled *ADOPTION AND TRAINING OF INTERNAL CONTROL STANDARDS*.

Condition and Context

The Common Council did not provide training to personnel concerning internal control standards and procedures during the audit period. The Common Council adopted the minimum level of internal controls as required by statute on April 1, 2019.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

APPROPRIATIONS

The same comment also appeared in the prior Reports B46355 and B53364.

Condition and Context

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

COMMON COUNCIL
CITY OF MITCHELL
AUDIT RESULTS AND COMMENTS
(Continued)

Fund	Years	Excess Amount Expended
GENERAL FUND	2019	\$ 611,933
STATE DISTRIBUTION LRS	2019	25,630
MOTOR VEHICLE HIGHWAY	2019	69,998
GENERAL FUND	2020	702,980
STATE DISTRIBUTION LRS	2020	3,664
TRANSPORTATION OPERATING	2020	231
GENERAL FUND	2021	888,561
STATE DISTRIBUTION LRS	2021	61,786
GENERAL FUND	2022	969,178
MOTOR VEHICLE HIGHWAY	2022	45,896
PARK & RECREATION	2022	2,925

Criteria

Indiana Code 36-4-8-2 states in part:

". . . Unless a statute provides otherwise, the fiscal officer may draw a warrant against a fund of the city only if:

- (1) an appropriation has been made for that purpose and the appropriation is not exhausted;. . ."

COMMON COUNCIL
CITY OF MITCHELL
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2023, with Susi Mann, Clerk-Treasurer; Mark A. Bryant, former Clerk-Treasurer; Nathan Jenkins, Mayor; Larry P. Caudell, President Pro Tempore of the Common Council; Vicky Schlegel, Common Council member; and George James, Common Council member.