

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF LAWRENCE

MARION COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

09/18/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Tyler Douthit	01-01-22 to 12-31-23
Mayor	Steve Collier	01-01-22 to 12-31-23
President of the Board of Public Works	Doug Reeser	01-01-22 to 12-31-23
President of the Common Council	Lisa Chavis William Tyrrell Giles	01-01-22 to 12-31-22 01-01-23 to 12-31-23
President of the Utility Service Board	Steve Hall	01-01-22 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to the audit report of the City of Lawrence (City), for the period from January 1, 2022 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 Statement Audit Report of the City, which provides our opinions on the City's financial statement. 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

August 31, 2023

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CITY CONTROLLER
CITY OF LAWRENCE

CITY CONTROLLER
CITY OF LAWRENCE
AUDIT RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION - SELF INSURANCE CLAIMS

Condition and Context

The City contracted with a third-party administrator for self-insurance claims. The third-party administrator billed the City weekly and provided a detailed listing of payments. The City did not confirm medical invoices paid were for City employees.

Criteria

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/Towns, Chapter 1)

STALE DATED OUTSTANDING CHECKS

Condition and Context

The City's December 31, 2022 outstanding check listings for its operating accounts at two banks included stale dated outstanding checks. The stale dated outstanding checks for these two bank accounts totaled \$14,000 and \$34,075, with the oldest checks dating back to 2016.

Criteria

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

CITY CONTROLLER
CITY OF LAWRENCE
AUDIT RESULTS AND COMMENTS
(Continued)

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision. However, in the case of a school corporation, the warrant or check shall be receipted into the operations fund."

CAPITAL ASSETS

A similar comment was included in the prior Reports B55945 and B57634, entitled *CAPITAL ASSETS*.

Condition and Context

The City did not present a completed capital asset inventory for audit inspection. There was no evidence of a physical inventory being completed at least every two years.

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)

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CITY OF LAWRENCE
EXIT CONFERENCE

The contents of this report were discussed on August 31, 2023, with Tyler Douthit, City Controller; Humphrey Nagila, Deputy City Controller; and William Tyrrell Giles, President of the Common Council.