

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF GENTRYVILLE

SPENCER COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

10/31/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Marcia Burdin	01-01-19 to 12-31-23
President of the Town Council	Martha Dewitt Kristen Decker	01-01-19 to 12-31-22 01-01-23 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF GENTRYVILLE, SPENCER COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Gentryville (Town), 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 Town. It should be read in conjunction with the Financial Statements Audit Report of the Town, which provides our opinions on the Town'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 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

October 4, 2023

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CLERK-TREASURER
TOWN OF GENTRYVILLE

CLERK-TREASURER
TOWN OF GENTRYVILLE
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

There were deficiencies in the internal control system of the Town related to financial transactions and reporting. The Town had not designed or implemented a system of effective internal controls over financial close and reporting and receipts.

Financial Close and Reporting

The Town did not have a proper system of internal controls in place over financial close and reporting to prevent, or detect and correct, errors. The Clerk-Treasurer entered the information into the Indiana Gateway for Governmental Units (Gateway) financial reporting system, which was the source of the Annual Financial Report and the financial statements. There was no evidence of any oversight, review, or approval process of this information by the Town prior to it being submitted to Gateway, to ensure its accuracy.

Receipts

The Town did not have a proper system of internal controls in place over cash receipts to prevent, or detect and correct, errors in receipts. The Deputy Clerk-Treasurer received all the cash and checks, and also takes the money to the bank. There was no evidence of any oversight or review over the receipt process.

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:

"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. . . ."

CLERK-TREASURER
TOWN OF GENTRYVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2023, with Marcia Burdin, Clerk-Treasurer, and Kristen Decker, President of the Town Council.