

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

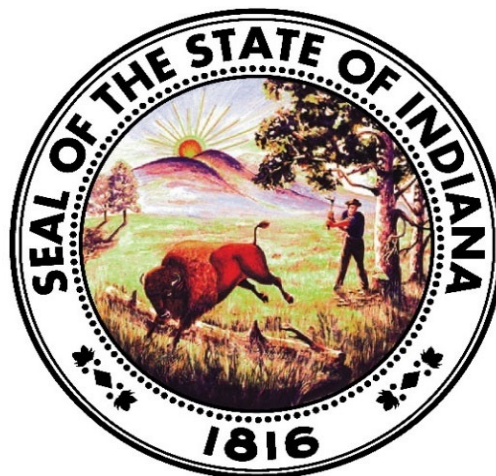
SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF GOODLAND

NEWTON COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

12/14/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tina M. Ward	01-01-19 to 12-31-23
President of the Town Council	James A. Butler	01-01-19 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF GOODLAND, NEWTON COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Goodland (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 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

November 30, 2023

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CLERK-TREASURER
TOWN OF GOODLAND

CLERK-TREASURER
TOWN OF GOODLAND
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

A similar comment appeared in the prior Report B55457, entitled *FINANCIAL TRANSACTIONS AND REPORTING*.

Condition and Context

There were deficiencies in the internal control system of the Town related to all areas of the financial statements. The Town had not established internal controls, which would include appropriate segregation of duties over all areas of the financial statements.

Due to the small size of the office, there is a lack of the segregation of duties. The Clerk-Treasurer is primarily responsible for all areas of the financial statements. The Town Council hired a third-party to review financial transactions prepared by the Clerk-Treasurer and to report to the Town Council monthly. The third-party prepared a financial packet that included a fund report, bank reconciliation, which only included a cover page and cleared checks listing, a revenue report, and appropriation report that did not include detailed transactions. There was no review or approval process from the Town to ensure all areas of the financial statements were properly recorded and to the proper fund. The Town Council approved vendor claims by fund and amount monthly.

In addition, there was no review or approval process that the amounts reported on the financial statements were accurate. The Clerk-Treasurer entered and submitted the Annual Financial Report into the Indiana Gateway for Government Units financial reporting system without a review or approval process to ensure its accuracy.

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
TOWN OF GOODLAND
AUDIT RESULTS AND COMMENTS
(Continued)

"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. . . ."

ORDINANCES AND RESOLUTIONS

Condition and Context

The Town recorded a monthly transfer from the Water/Cash Operating fund to the Water/Depreciation fund based on a calculation that was not included or authorized by enabling law, ordinance, or resolution.

As of December 31, 2020, a transfer was recorded in the amount of \$19,053 from the Good Neighbor Don. Fund to numerous funds that was not authorized by enabling law, ordinance, or resolution.

Criteria

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF GOODLAND
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2023, with Tina M. Ward, Clerk-Treasurer; James A. Butler, President of the Town Council; and Gary Rheude, Town Council member.