

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF MOORESVILLE

MORGAN COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED
10/01/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Dianna Wamsley	01-01-22 to 12-31-24
President of the Town Council	Tom Warthen	01-01-22 to 12-31-24
Town Judge	Susan Leib	01-01-22 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF MOORESVILLE, MORGAN COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Mooresville (Town), for the period from January 1, 2022 to December 31, 2023. 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 Statement Audit Report of the Town, which provides our opinions on the Town'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 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

August 29, 2024

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POLICE DEPARTMENT
TOWN OF MOORESVILLE

POLICE DEPARTMENT
TOWN OF MOORESVILLE
AUDIT RESULT AND COMMENT

SUPPORTING DOCUMENTATION - POLICE PAYROLL

Condition and Context

There were eight days of time shown on Payroll Time Worksheets as worked and paid to a police officer. The police officer's paid time-off request was made to the unofficial Shift Calendar but not to the official Shift Calendar, which lists all days to be worked by each officer. Per the Town's policy, all police officers are required to call dispatch to report to, and from, work. The dispatch logs documented that the police officer did not work on those eight days. Due to the lack of internal controls, the police officer was paid for eight days without supporting documentation.

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. . . ."

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)



TOWN of MOORESVILLE

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OFFICE OF
Dianna L. Wamsley
Clerk-Treasurer

Debbie Monts
Deputy Clerk-Treasurer

OFFICIAL RESPONSE

Date: 09/05/2024

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

Re:2022-2023 Audit

In response to the Audit Results and Comments on the 2022-2023 Audit conducted by the State Board of Accounts regarding the Police Department payroll, the Town of Mooresville acknowledges and agrees that there was a lack of internal controls in place with approval of time off/time worked at the Police Department. The Town of Mooresville wants to assure the State Board of Accounts, as well as the Taxpayers of Mooresville, that once we became aware of the issue in 2022, electronic processes were implemented soon thereafter that require multiple layers of approval to prevent these kinds of events from happening in the future.

Respectfully submitted

Dianna L. Wamsley
Clerk-Treasurer

POLICE DEPARTMENT
TOWN OF MOORESVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2024, with Dianna Wamsley, Clerk-Treasurer; Tom Warthen, President of the Town Council; Kerry Buckner, Chief of Police; and Susan Leib, Town Judge.