

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF WINONA LAKE

KOSCIUSKO COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED

01/16/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kent Adams	01-01-12 to 12-31-19
President of the Town Council	John R. Boal	01-01-13 to 03-31-13
	(Vacant)	04-01-13 to 04-15-13
	Bruce J. Shaffner	04-16-13 to 12-31-14
	Randy H. Swanson	01-01-15 to 12-31-15
	Bruce J. Shaffner	01-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF WINONA LAKE, KOSCIUSKO COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Winona Lake (Town), for the period from January 1, 2013 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the Town. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the Town, which provides our opinions on the Town's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Finding, identified in the above referenced audit report, is included in this report.

Any Corrective Action Plan for the Federal Finding, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

November 28, 2017

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CLERK-TREASURER
TOWN OF WINONA LAKE

CLERK-TREASURER
TOWN OF WINONA LAKE
FEDERAL FINDING

FINDING 2013-001

Subject: Highway Safety Cluster - Allowable Costs/Cost Principles and Reporting

Federal Agency: Department of Transportation

Federal Programs: State and Community Highway Safety, Alcohol Impaired
Driving Countermeasures Incentive Grants I

CFDA Numbers: 20.600, 20.601

Federal Award Numbers and Years (or Other Identifying Numbers): 1517, PT-12-11-04-17, D3-13-7323,
D3-14-8229, D3-13-7254, D3-14-8149

Pass-Through Entity: Indiana Criminal Justice Institute

Compliance Requirements: Allowable Costs/Cost Principles, Reporting

Audit Finding: Material Weakness

Repeat Finding

A similar finding was in the immediate prior year. The prior year finding was 2012-3.

Condition

An effective internal control system was not in place at the Town in order to ensure compliance with requirements related to Allowable Costs/Cost Principles and Reporting compliance requirements.

Context

Allowable Costs/Cost Principles

Time and effort logs were maintained to support administrative personnel time billed to the Operation Pullover/Big City County Seatbelt Enforcement and Kosciusko County DUI Task Force grants under the Highway Safety Cluster; however, there was no evidence of a control procedure to ensure compliance with this compliance requirement.

Reporting

The Indiana Criminal Justice Institute required the Town to submit financial and performance reports through the Egrants system and database. There was no evidence of a control procedure to ensure compliance with this compliance requirement.

CLERK-TREASURER
TOWN OF WINONA LAKE
FEDERAL FINDING
(Continued)

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

Cause

Management of the Town had not developed a system of internal controls that would have prevented, or detected and corrected, potential material noncompliance.

Effect

The failure to establish an effective internal control system placed the Town at risk of noncompliance with the grant agreement and the compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Town's management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles and Reporting compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Town of Winona Lake

1310 Park Ave., P.O. Box 338
Winona Lake, Indiana 46590
(574) 267-5783 or 267-7581
Fax (574) 267-4793

CORRECTIVE ACTION PLAN

FINDING 2013-001

Contact Person Responsible for Corrective Action: Craig Allebach
Contact Phone Number: 574-269-5112

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

We will review or approve the process over the time and effort logs, better known as the "Personnel Services" report by ICJI.

We will review or approve the process over reporting of financial and performance reports submitted through the ICJI's E-grants system and database system.

Anticipated Completion Date: November 17, 2017



Kent Adams, Clerk Treasurer

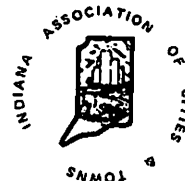


Craig Allebach, Town Coordinator

Date: November 17, 2017



"Princess Winona"



CLERK-TREASURER
TOWN OF WINONA LAKE
EXIT CONFERENCE

The contents of this report were discussed on November 28, 2017, with Kent Adams, Clerk-Treasurer; Craig Allebach, Town Coordinator; Bruce J. Shaffner, President of the Town Council; Meghan Lincoln, Deputy Clerk-Treasurer; Jennifer Harting, Utility Clerk; and Laurie A. Renier, Clerk.