

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CICERO

HAMILTON COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
01/18/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Examination Result and Comment:	
Internal Controls over Financial Reporting.....	6
Exit Conference	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice L. Unger	01-01-12 to 12-31-19
President of the Town Council	Brett Foster Jerry Cook Dennis Schrupf Sylvia Kay Hartley Brett Foster Chad Amos	01-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17
Superintendent of Water Utility	Joseph Higgins	01-01-12 to 12-31-17
Superintendent of Wastewater Utility	Clarence Taylor Matt Dotson	01-01-12 to 04-30-17 05-01-17 to 12-31-17
Director of Stormwater Utility	Pat Comer	01-01-12 to 12-31-17
President of Stormwater Utility Management Board	Paul Utterback	01-01-12 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE TOWN OF CICERO, HAMILTON COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Cicero (Town), for the period from January 1, 2012 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statement Examination Report of the Town, which provides our opinion 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 Examination 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 Examination Result and Comment, incorporated within this report, was not verified for accuracy.

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

December 4, 2017

(This page intentionally left blank.)

CLERK-TREASURER
TOWN OF CICERO

CLERK-TREASURER
TOWN OF CICERO
EXAMINATION RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL REPORTING

There was a deficiency in the Town's internal control system over the input and reporting of the financial information. Effective internal control over financial reporting involved the identification and analysis of the risks of material misstatement to the Town's financial statement and then determining how those identified risks should be managed. The Town had not identified the risks to the preparation of a reliable financial statement and as a result failed to design effective controls over the input of the financial information. The Clerk-Treasurer independently input the financial information without oversight, review, or approval.

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 CICERO
EXIT CONFERENCE

The contents of this report were discussed on December 4, 2017, with Janice L. Unger, Clerk-Treasurer, and Chad Amos, President of the Town Council.