

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF WORTHINGTON

GREENE COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
03/29/2018

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--------------------------------------|----------------------------------|--|
| Clerk-Treasurer | Gloria Klass | 01-01-12 to 12-31-18 |
| President of the Town Council | Gregg Roudebush Malcolm Stahl | 01-01-12 to 12-31-12 01-01-13 to 12-31-18 |
| Superintendent of Wastewater Utility | David Dyer | 01-01-12 to 12-31-18 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF WORTHINGTON, GREENE COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Worthington (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 Statements 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 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

February 13, 2018

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CLERK-TREASURER
TOWN OF WORTHINGTON

CLERK-TREASURER
TOWN OF WORTHINGTON
EXAMINATION RESULTS AND COMMENTS

INTERNAL CONTROL STANDARDS

On February 28, 2017, the Clerk-Treasurer certified that the Town had adopted the minimum standard of internal controls and had received the required training when completing the Annual Financial Report. This certification was incorrect. As of December 31, 2017, the Town had not adopted internal control standards, nor had the required training been completed by any Town employees.

Indiana Code 5-11-1-27(h) states:

"After June 30, 2016, the fiscal officer of a political subdivision shall certify in writing that:

- (1) the minimum internal control standards and procedures defined under subsection (e) have been adopted by the political subdivision; and
- (2) personnel, who are not otherwise on leave status, have received training as required by subsection (g)(2).

The certification shall be filed with the state board of accounts at the same time as the annual financial report required by section 4(a) of this chapter is filed. The certification shall be filed electronically in the manner prescribed under IC 5-14-3.8-7."

PAYROLL

The salary ordinances adopted for each year described salary by position and how amounts should be paid from each fund for each respective position. During the examination period, salaries were not always paid from the correct funds. The Clerk-Treasurer did not transfer the amounts in accordance with the salary ordinances for the years 2012, 2013, 2014, or 2015. Prior improper transfer amounts from 2010 and 2011 were also uncorrected. The table below shows the total amounts owed between funds as of December 31, 2016, for salaries paid from the wrong funds:

| <u>Fund Due From</u> | <u>Fund Due To</u> | <u>Amount</u> |
|--------------------------|--------------------|---------------|
| Motor Vehicle Highway | General Fund | \$ 52,730 |
| Sewage Utility Operating | General Fund | 20,741 |
| Motor Vehicle Highway | Park | 698 |

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 WORTHINGTON
EXIT CONFERENCE

The contents of this report were discussed on February 13, 2018, with Malcolm Stahl, President of the Town Council, and Gloria Klass, Clerk-Treasurer.

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TOWN COUNCIL
TOWN OF WORTHINGTON

TOWN COUNCIL
TOWN OF WORTHINGTON
EXAMINATION RESULT AND COMMENT

INTERNAL CONTROL STANDARDS

As of December 31, 2017, the Town Council had not adopted internal control standards, nor had the required training been completed by any Town employees.

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) Personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

TOWN COUNCIL
TOWN OF WORTHINGTON
EXIT CONFERENCE

The contents of this report were discussed on February 13, 2018, with Malcolm Stahl, President of the Town Council, and Gloria Klass, Clerk-Treasurer.