

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF COVINGTON

FOUNTAIN COUNTY, INDIANA

January 1, 2012 to December 31, 2017



FILED

06/01/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Debby Gurley	01-01-12 to 12-31-19
Mayor	Bradley D. Crain	01-01-12 to 12-31-19
President of the Board of Public Works	Bradley D. Crain	01-01-12 to 12-31-18
Superintendent of the Water Utility	Rick Smith	01-01-12 to 12-31-18
Superintendent of the Wastewater Utility	Greg Myers	01-01-12 to 12-31-18
Superintendent of the Electric Utility	David Clodfelder Clint Karushis	01-01-12 to 03-31-12 04-01-12 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF COVINGTON, FOUNTAIN COUNTY, INDIANA

This report is supplemental to our audit report of the City of Covington (City), for the period from January 1, 2012 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statements Audit Report of the City, which provides our opinions on the City'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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

April 19, 2018

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CLERK-TREASURER
CITY OF COVINGTON

CLERK-TREASURER
CITY OF COVINGTON
AUDIT RESULT AND COMMENT

CERTIFICATION OF INTERNAL CONTROL STANDARDS

The City improperly certified on the Indiana Gateway for Government Units reporting system that an internal control policy was adopted.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local government unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

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."

CLERK-TREASURER
CITY OF COVINGTON
EXIT CONFERENCE

The contents of this report were discussed on April 19, 2018, with Bradley D. Crain, Mayor; Debby Gurley, Clerk-Treasurer; and Patty Smith, Common Council member.

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COMMON COUNCIL
CITY OF COVINGTON

COMMON COUNCIL
CITY OF COVINGTON
AUDIT RESULT AND COMMENT

ADOPTION OF INTERNAL CONTROL STANDARDS

The City did not adopt an internal control policy as required by Indiana Code 5-11-27(g).

Indiana 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."

CITY COUNCIL
CITY OF COVINGTON
EXIT CONFERENCE

The contents of this report were discussed on April 19, 2018, with Bradley D. Crain, Mayor; Debby Gurley, Clerk-Treasurer; and Patty Smith, Common Council member.