

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF ROACHDALE

PUTNAM COUNTY, INDIANA

January 1, 2017 to December 31, 2017



**FILED**

12/21/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Debbie Sillery	01-01-16 to 12-31-19
President of the Town Council	J. Zachary Bowers	01-01-16 to 12-31-17



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AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ROACHDALE, PUTNAM COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Roachdale (Town), for the period from January 1, 2017 to December 31, 2017. 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](http://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 7, 2018

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CLERK-TREASURER  
TOWN OF ROACHDALE

CLERK-TREASURER  
TOWN OF ROACHDALE  
FEDERAL FINDING

***FINDING 2017-001***

Subject: Community Development Block Grants/State's program and  
Non-Entitlement Grants in Hawaii - Reporting

Federal Agency: Department of Housing and Urban Development

Federal Program: Community Development Block Grants/State's program  
and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Numbers): B-08-DI-18-0001 ,WW-14-116

Pass-Through Entity: Indiana Office of Community and Rural Affairs

Compliance Requirement: Reporting

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the Town in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

*Context*

No control existed over the submission of Semi-Annual Reports submitted to the Indiana Office of Community and Rural Affairs by the grant administrator during the audit period. The lack of controls was systemic throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

CLERK-TREASURER  
TOWN OF ROACHDALE  
FEDERAL FINDING  
(Continued)

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the Town at risk of noncompliance with the grant agreement and the compliance requirement and could have enabled material non-compliance to go undetected.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the Town's management establish controls related to the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

# Town of Roachdale

P.O. Box 198, 205 N Indiana Street, 46172  
Clerk Treasurer  
Debbie Sillery

(765) 522-1532 Office (765) 522-2297 Fax  
Town Council Members  
Zach Bowers, Holly Cook, Kevin Cook

## CORRECTIVE ACTION PLAN

### ***FINDING 2017-001***

Contact Person Responsible for Corrective Action: Debbie Sillery, Clerk-Treasurer  
Contact Phone Number: (765)522-1532

We confer with the finding.

#### Description of Corrective Action Plan:

All documents associated with the Semi Annual Reports are always reviewed by the Town Council President and Clerk-Treasurer before the reports are submitted. We were unaware that signatures or initials were required to be on the documents verifying that the reports were reviewed prior to submittal. I have discussed the finding with our Grant Administrator and our Council President and all future documents will be noted that they have been reviewed before submitted.

Anticipated Completion Date: Immediately corrected upon notification of finding.

Debbie Sillery  
(Signature)

Clerk - Treasurer  
(Title)

10/30/2018  
(Date)

CLERK-TREASURER  
TOWN OF ROACHDALE  
EXIT CONFERENCE

The contents of this report were discussed on November 7, 2018, with Debbie Sillery, Clerk-Treasurer, and J. Zachary Bowers, President of the Town Council.