

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

COMPLIANCE REPORT
OF
TOWN OF MILLHOUSEN
DECATUR COUNTY, INDIANA
January 1, 2014 to December 31, 2017



FILED
01/11/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Marilyn Horan	01-01-11 to 12-31-18
President of the Town Council	Andrew Witkemper	01-01-14 to 12-31-14
	Robert Witkemper	01-01-15 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF MILLHOUSEN, DECATUR COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Millhousesen (Town), Decatur County, for the period of January 1, 2014 to December 31, 2017, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The 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.

The Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 28, 2018

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OTHER INFORMATION - UNAUDITED

The Town's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Town's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

TOWN OF MILLHOUSEN
 SCHEDULE OF CASH AND INVESTMENT
 BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

Fund	Cash and Investments 12-31-17
General	\$ 28,054
Motor Vehicle Highway	19,425
Local Road And Street	17,343
Levy Excess Fund	212
Co Economic Development Income Tax	9,706
Ccif	<u>15,824</u>
Total	<u>\$ 90,564</u>

CLERK-TREASURER
TOWN OF MILLHOUSEN

CLERK-TREASURER
TOWN OF MILLHOUSEN
RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

A similar comment also appeared in prior Reports B44342 and B37647.

Depository reconciliations of the fund balances to the bank account balances were not provided, and the ending cash and investments balance was \$925 more than the bank balance.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The Town certified with the Annual Financial Report on Gateway that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e) and that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Town; however, during the engagement, the Clerk-Treasurer indicated that the Town had not adopted the minimum internal control standards and that all personnel had not received training concerning the internal control standards.

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

"The state examiner shall require from every municipality and every state or local governmental 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](#)."

CLERK-TREASURER
TOWN OF MILLHOUSE
EXIT CONFERENCE

The contents of this report were discussed on November 28, 2018, with Marilyn Horan, Clerk-Treasurer.

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TOWN COUNCIL
TOWN OF MILLHOUSEN

TOWN COUNCIL
TOWN OF MILLHOUSEN
RESULTS AND COMMENTS

COMPENSATION

A similar comment also appeared in prior Report B44342.

The Town did not provide an annual salary resolution or ordinance, Township Board minutes, or other documentation setting and approving the salaries of Town officers and employees during the engagement period.

Indiana Code 36-5-3-2(b) states: "The town legislative body shall, by ordinance, fix the compensation of its own members, the town clerk-treasurer, and the town marshal. The legislative body shall provide reasonable compensation for other town officers and employees."

ADOPTION OF INTERNAL CONTROL STANDARDS

The Town had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

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

"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 . . ."

TRAINING ON INTERNAL CONTROL STANDARDS

Town employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Town, had not received training over internal control standards developed or approved by the Indiana State Board of Accounts.

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

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

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

TOWN COUNCIL
TOWN OF MILLHOUSE
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2018, with Robert Witkemper, President of the Town Council.