

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF PARKER CITY

RANDOLPH COUNTY, INDIANA

January 1, 2013 to December 31, 2017



FILED
01/25/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kim K. Walker-Cecil	01-01-12 to 12-31-19
President of the Town Council	Mike Huston	01-01-13 to 12-31-14
	Rex Amburn	01-01-15 to 12-31-15
	Aaron Stephens	01-01-16 to 12-31-16
	Rex Amburn	01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF PARKER CITY, RANDOLPH COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Parker City (Town), for the period from January 1, 2013 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 Town. It should be read in conjunction with our Financial Statements Audit 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 Audit 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 Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

December 11, 2018

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CLERK-TREASURER
TOWN OF PARKER CITY

CLERK-TREASURER
TOWN OF PARKER CITY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We identified deficiencies in the internal control system of the Town related to financial reporting and close.

The Town adopted an internal control policy, but no documentable controls could be verified throughout the course of the audit to determine that the controls were in place for the financial close and reporting process. The Clerk-Treasurer entered the Town's financial information into the Indiana Gateway for Government Units financial reporting system without an oversight, review, or approval process to ensure the accuracy of the information submitted.

The failure to establish and document these controls could have enabled material misstatements to go undetected.

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. . . ."

TOWN OF PARKER CITY
315 W JACKSON ST
PARKER CITY, IN 47368
PHONE (765) 468-7949

December 18, 2018

The Clerk's office for the Town of Parker City has put a plan in place for internal controls. With the office only having a clerk and a deputy clerk we will be checking and initialing each others documents. The deputy clerk will be checking the following, but not limited to, monthly bank statements, financial reports, and all year end reports including Gateway reports. The town clerk will be checking the following, but not limited to, bank deposits, month end reports, and all year end reports.



Kim Walker-Cecil
Parker City Clerk-Treasurer

CLERK-TREASURER
TOWN OF PARKER CITY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2018, with Kim K. Walker-Cecil, Clerk-Treasurer; Rex Amburn, President of the Town Council; and Sandra Headland, Deputy Clerk-Treasurer.