

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF REMINGTON

JASPER COUNTY, INDIANA

January 1, 2018 to December 31, 2018



FILED
06/26/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri Budde	07-15-16 to 12-31-19
President of the Town Council	Susan Flickner	01-01-18 to 12-31-19
Town Manager	Jonathan Cripe	01-01-18 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF REMINGTON, JASPER COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Remington (Town), for the period from January 1, 2018 to December 31, 2018. 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/.

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

May 13, 2019

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CLERK-TREASURER
TOWN OF REMINGTON

CLERK-TREASURER
TOWN OF REMINGTON
FEDERAL FINDING

FINDING 2018-001

Subject: Drinking Water State Revolving Fund Cluster - Reporting
Federal Agency: Environmental Protection Agency
Federal Program: Capitalization Grants for Drinking Water State Revolving Funds
CFDA Number: 66.468
Federal Award Number and Year (or Other Identifying Number): DW14133701
Pass-Through Entity: Indiana Finance Authority
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition

The Town had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement. There was no process to ensure that the required reports were prepared and submitted.

The MBE/WBE Utilization Report (Form 5700-52A), due annually, was not filed for the 2018 reporting period. The Town relied on an engineering firm's Project Manager to perform all of the activities related to the reporting requirements. The Town was unaware that the MBE/WBE Utilization report was due annually even if there were no changes or new procurements to report for that year.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (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). . . ."

CLERK-TREASURER
TOWN OF REMINGTON
FEDERAL FINDING
(Continued)

40 CFR 33.502 states in part: "MBE and WBE participation must be reported by all recipients, including those recipients exempted under §33.411 from the requirement to apply the fair share objectives, on EPA Form 5700– 52A. . . ."

Cause

The Town had not developed a system of internal controls that would have ensured compliance with the grant agreement and the reporting requirements.

Effect

The failure to establish an effective internal control system enabled noncompliance to remain undetected. Noncompliance with the grant agreement and the Reporting compliance requirement could have resulted in the loss of federal funds to the Town.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Town's management establish a system of internal controls to ensure compliance and comply with 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 REMINGTON

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CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Terri Budde, Clerk-Treasurer

Contact Phone Number: (219) 208-3025

Views of Responsible Official:

Town of Remington and the Clerk-Treasurer concur with the finding.

Description of Corrective Action Plan:

The Town of Remington's Internal Control Procedures will be amended to establish compliance and comply with grant agreements and reporting compliance requirements associated with federal grants.

The SRF water grant was closed in 2018. Non-compliance with reporting in the future related to this grant will not be an issue.

Anticipated Completion Date: August 30, 2019

Terri Budde
(Signature)

Clerk-Treas.
(Title)

5-13-2019
(Date)

CLERK-TREASURER
TOWN OF REMINGTON
EXIT CONFERENCE

The contents of this report were discussed on May 13, 2019, with Terri Budde, Clerk-Treasurer; Susan Flickner, President of the Town Council; and James Stewart, Vice President of the Town Council.