

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF UNIONDALE

WELLS COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
08/19/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sharice K. Bowen	01-01-12 to 12-31-19
President of the Town Council	Ronald K. Sliger Erin Kreigh	01-01-15 to 11-30-18 12-01-18 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF UNIONDALE, WELLS COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Uniondale (Town), for the period from January 1, 2015 to December 31, 2018. 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 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

July 3, 2019

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CLERK-TREASURER
TOWN OF UNIONDALE

CLERK-TREASURER
TOWN OF UNIONDALE
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

The Town had established internal controls over financial information; however, they were not documenting their internal control. The Town Council had not documented their review of the monthly bank reconcilements, receipts, and the Annual Financial Report submitted to the Indiana Gateway for Government Units website.

The Town is required to report all financial information in the Annual Financial Report. This information is used to compile the financial statement. The Town's financial records and, subsequently, the Town's financial statement, contained the following deficiencies:

The Town did not include the wastewater plant construction activity during 2017 and 2018 funded by the State Revolving Fund program. The SRF Construction BAN and SRF Construction Bond funds were not recorded in the financial records or reported in the Annual Financial Report, which resulted in reported receipts and disbursements being understated by \$627,840.

Audit adjustments were proposed, accepted by the Town, and made to the financial statement.

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. . . .

CLERK-TREASURER
TOWN OF UNIONDALE
AUDIT RESULTS AND COMMENTS
(Continued)

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. . . ."

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

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](#)."

CAPITAL ASSETS

A detailed capital assets ledger was not maintained during the audit period.

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF UNIONDALE
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2019, with Sharice K. Bowen, Clerk-Treasurer, and Erin Kreigh, President of the Town Council.

TOWN COUNCIL
TOWN OF UNIONDALE

TOWN COUNCIL
TOWN OF UNIONDALE
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

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TOWN COUNCIL
TOWN OF UNIONDALE
EXIT CONFERENCE

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