

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CICERO

HAMILTON COUNTY, INDIANA

January 1, 2017 to December 31, 2018



FILED
10/04/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janice L. Unger	01-01-16 to 12-31-19
President of the Town Council	Chad Amos Rusty Miller (Vacant) Chris Lutz	01-01-17 to 12-31-17 01-01-18 to 11-20-18 11-21-18 to 12-31-18 01-01-19 to 12-31-19
Director of Street and Utilities	Pat Comer Terry Cooper	01-01-17 to 01-02-19 01-03-19 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE TOWN OF CICERO, HAMILTON COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Cicero (Town), for the period from January 1, 2017 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 Statement Audit Report of the Town, which provides our opinion on the Town's financial statement. 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 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

August 26, 2019

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CLERK-TREASURER
TOWN OF CICERO

CLERK-TREASURER
TOWN OF CICERO
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The same comment also appeared in prior Report B49354.

There was a deficiency in the Town's internal control system over the preparation and submission of the Town's Annual Financial Report (AFR) in the Indiana Gateway for Government Units (Gateway) financial reporting system. The Clerk-Treasurer enters the financial information for the Town's AFR into Gateway, where it is reviewed by another employee; however, evidence was not presented for audit to document the review performed by another employee.

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. . . ."

CLERK-TREASURER
TOWN OF CICERO
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2019, with Janice L. Unger, Clerk-Treasurer; Rhonda Gary, Deputy Clerk-Treasurer; and Dan Strong, Town Council member.