

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF NEW ROSS

MONTGOMERY COUNTY, INDIANA

January 1, 2017 to December 31, 2018



FILED
10/09/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rebecca Lowe Ashley Kelsey	01-01-17 to 12-31-17 01-01-18 to 12-31-19
President of the Town Council	Michael Myers Jason H .Haltom	01-01-17 to 12-31-18 01-01-19 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF NEW ROSS, MONTGOMERY COUNTY, INDIANA

This report is supplemental to our audit report of the Town of New Ross (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 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

September 23, 2019

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CLERK-TREASURER
TOWN OF NEW ROSS

CLERK-TREASURER
TOWN OF NEW ROSS
AUDIT RESULT AND COMMENT

COMPENSATION AND BENEFITS

Condition and Context

A similar comment appeared in the prior Report B50208.

The Clerk-Treasurer was overpaid for her role as Electric Clerk and Sewer Clerk in January 2017. There was a notation in the records that the extra pay was for 2016, but no documentation for additional pay was found. The salary ordinance did not include any amounts for compensation beyond the amount listed for Clerk-Treasurer duties, and the Town legislative body did not approve additional compensation under Indiana Code 36-5-3-2(d). There were also instances where the Clerk-Treasurer's pay was reduced for the time she was not working in the office. The net effect of the overpayment and reduction in pay was an overpayment of \$1,257. The Town requested that Rebecca Lowe, former Clerk-Treasurer, reimburse \$770 and \$487 to the Electric and Sewer utilities, respectively. The reimbursement was received September 23, 2019 (receipt #381 and 382, respectively). (See Summary of Charges page 8)

In 2017, there were 14 missing time cards for hourly employees so the correct pay could not be verified. There were 5 additional miscalculations found.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

It is our audit position that an elected official's compensation goes with the office. This means that the elected official receives his (or her) salary as long as the office to which the official was elected performs the duties and responsibilities of this office regardless of whether the elected official personally does the work, whether the elected official personally maintains office hours, or whether the elected official shows up at the office. Keep in mind this relates only to elected officials. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

In those few instances where elected officials choose to be included in an employee leave policy (and were included in the authorizing ordinance), the officials must maintain proper attendance records, in the same manner as all other city and town employees, which shall clearly disclose days worked, days missed, type of leave taken, etc. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 36-5-3-2(c) states: "The compensation of an elected town officer may not be changed in the year for which it is fixed, nor may it be reduced below the amount fixed for the previous year."

CLERK-TREASURER
TOWN OF NEW ROSS
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2019, with Ashley Kelsey, Clerk-Treasurer, and Jason H. Haltom, President of Town Council.

CLERK-TREASURER
TOWN OF NEW ROSS
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Rebecca Lowe, former Clerk-Treasurer: Overpaid Compensation and Benefits, page 6	<u>\$ 1,257</u>	<u>\$ 1,257</u>	<u>\$ -</u>

This report was forwarded to the Office of the Indiana Attorney General.