

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF VAN BUREN

GRANT COUNTY, INDIANA

January 1, 2015 to December 31, 2018



**FILED**  
10/11/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Michelle M. Sexton	01-01-12 to 12-31-19
President of the Town Council	Marvin N. Surber Tony E. Manry	01-01-15 to 12-31-15 01-01-16 to 12-31-19
Superintendent of Utilities	Donald W. Plummer	01-01-15 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF VAN BUREN, GRANT COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Van Buren (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/](http://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

August 27, 2019

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CLERK-TREASURER  
TOWN OF VAN BUREN

CLERK-TREASURER  
TOWN OF VAN BUREN  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS**

The Town established internal controls over financial information; however, implementation of the internal controls was not documented. The Town Council did not document their review of the monthly bank reconciliations, receipts, or the Annual Financial Report (AFR) submitted in the Indiana Gateway for Government Units (Gateway) financial reporting system.

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

The Town did not include the wastewater lift station construction activity funded from private loan proceeds during 2018. Receipts and disbursements were not recorded in the financial records or AFR totaling \$721,546 and \$405,784, respectively. Audit adjustments were proposed, approved by the Town, and made to the financial statements presented in this report.

*Criteria*

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. . . ."

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](#)."

CLERK-TREASURER  
TOWN OF VAN BUREN  
EXIT CONFERENCE

The contents of this report were discussed on August 27, 2019, with Michelle M. Sexton, Clerk-Treasurer, and Tony E. Manry, President of the Town Council.

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TOWN COUNCIL  
TOWN OF VAN BUREN

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EXIT CONFERENCE

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