

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF GLENWOOD

RUSH COUNTY, INDIANA

January 1, 2016 to December 31, 2018



**FILED**  
10/23/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary Richardson	01-01-16 to 12-31-19
President of the Town Council	Jon Lykins	01-01-16 to 12-31-19
Superintendent of Water and Wastewater Utility	Paul Sembach	01-01-16 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF GLENWOOD, RUSH COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Glenwood (Town), for the period from January 1, 2016 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 statement. 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

October 17, 2019

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CLERK-TREASURER  
TOWN OF GLENWOOD

CLERK-TREASURER  
TOWN OF GLENWOOD  
AUDIT RESULTS AND COMMENTS

**LATE SUBMISSION OF ANNUAL FINANCIAL REPORT**

The Town's Annual Financial Reports for 2017 and 2018 were not filed electronically until May 13, 2018, and September 2, 2019, respectively, which was 73 and 185 days past the due date.

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](#)."

**INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING**

Lack of Segregation of Duties: The Town had not separated incompatible activities related to cash, receipts, and financial close and reporting. The Clerk-Treasurer was solely responsible for recording and posting receipts, reconciling the bank statements, and inputting and submitting the Town's financial information into the Indiana Gateway for Government Units financial reporting system.

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 GLENWOOD  
EXIT CONFERENCE

The contents of this report were discussed on October 17, 2019, with Mary Richardson, Clerk-Treasurer, and Jon Lykins, President of the Town Council.