

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF BURNETTSVILLE

WHITE COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
12/09/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Diana M. Sundy	01-01-15 to 12-31-15
	Steven L. Sundy	01-01-16 to 07-31-17
	Kimberly A. German	08-01-17 to 12-31-19
President of the Town Council	Tiffany Crowell	01-01-15 to 12-31-15
	Dave Marquess	01-01-16 to 12-31-16
	Mike Maddock	01-01-17 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 BURNETTSVILLE, WHITE COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Burnettsville (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

November 12, 2019

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CLERK-TREASURER
TOWN OF BURNETTSVILLE

CLERK-TREASURER
TOWN OF BURNETTSVILLE
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

There were deficiencies in the internal control system of the Town related to financial transactions and reporting. The Town had not separated incompatible activities related to all areas of the financial statements. The failure to establish these controls could enable material misstatements to occur and remain undetected.

The Town did not have policies or procedures in place to ensure accurate recording and reporting of receipts, disbursements, and cash and investment balances. There was no oversight or review process to ensure their accuracy.

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. . . ."

TOWN COUNCIL MINUTES

Condition and Context

The Town did not maintain Town Council minutes from September to December 2015 or from January to May 2016. The Town maintained draft notes for 2016, but none of the Town Council members signed the draft notes.

Criteria

Indiana Code 5-14-1.5-4 states in part:

". . . (b) As the meeting progresses, the following memoranda shall be kept:

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

- (1) The date, time, and place of the meeting.
 - (2) The members of the governing body recorded as either present or absent.
 - (3) The general substance of all matters proposed, discussed, or decided.
 - (4) A record of all votes taken, by individual members if there is a roll call.
 - (5) Any additional information required under section 3.5 of 3.6 of this chapter or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication.
- (c) The memoranda are to be available within a reasonable period of time after the meeting for the purpose of informing the public of the governing body's proceedings. The minutes, if any, are to be open for public inspection and copying."

CLAIM DOCKETS

Condition and Context

The Town did not maintain complete Allowance of Accounts Payable Vouchers (claim dockets) for 9 of 12 months in 2015. In addition, the Town did not present claim dockets for January, May, and December 2015.

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (1) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Indiana Code 5-11-10-2(e) states:

"Where under any law it is provided that each claim be allowed over the signatures of members of a governing body, or a claim docket or accounts payable voucher register be prepared listing claims to be considered for allowance, the form and procedure prescribed in this section shall be in lieu of the provisions of the other law."

CLERK-TREASURER
TOWN OF BURNETTSVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 18, 2019, with Kimberly A. German, Clerk-Treasurer, and Mike Maddock, President of the Town Council.

TOWN COUNCIL
TOWN OF BURNETTSVILLE

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AUDIT RESULTS AND COMMENTS

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TOWN OF BURNETTSVILLE
AUDIT RESULTS AND COMMENTS
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