

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF WANATAH

LAPORTE COUNTY, INDIANA

January 1, 2016 to December 31, 2018



FILED
12/16/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Diane Noll	01-01-16 to 12-31-19
President of the Town Council	David Berger Jeffery Newburn	01-01-16 to 09-07-16 09-08-16 to 12-31-19
Superintendent of Utilities	Charles Mack	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 WANATAH, LAPORTE COUNTY, INDIANA

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

October 28, 2019

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CLERK-TREASURER
TOWN OF WANATAH

CLERK-TREASURER
TOWN OF WANATAH
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

The Town had not established controls to ensure the accuracy of the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the financial statements. The Annual Financial Report was submitted in Gateway without evidence of a review by a second knowledgeable individual prior to submission. The lack of control over financial reporting could have enabled a material misstatement to go undetected.

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 of Wanatah

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October 29, 2019

State Board of Accounts,

In regards to my Exit Conference, under Audit Result and Comment I chose Option#2 my response: I have added to my Internal Control Policy that the Annual Financial Report is to be prepared by Clerk Treasurer and checked by the Deputy Clerk Treasurer or knowledgeable individual prior to submission to Gateway.



Diane Noll
Clerk Treasurer

CLERK-TREASURER
TOWN OF WANATAH
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2019, with Diane Noll, Clerk-Treasurer, and Jeffery Newburn, President of the Town Council.