

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF ENGLISH

CRAWFORD COUNTY, INDIANA

January 1, 2017 to December 31, 2018



FILED
04/07/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Wayne Carothers Tarra Carothers	01-01-16 to 12-31-18 01-01-19 to 12-31-23
President of the Town Council	Michael Benham	01-01-17 to 12-31-20
Town Manager	Mike Huddleston	01-01-17 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ENGLISH, CRAWFORD COUNTY, INDIANA

This report is supplemental to our audit report of the Town of English (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 opinions 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

March 11, 2020

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CLERK-TREASURER
TOWN OF ENGLISH

CLERK-TREASURER
TOWN OF ENGLISH
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS - FINANCIAL CLOSE AND REPORTING

Condition and Context

The Town had not established and implemented effective controls over the financial close and reporting process. The Clerk-Treasurer manually entered the financial data from the Town's records into the Indiana Gateway for Government Units financial reporting system, which is the source for the Annual Financial Reports (AFR) and financial statement. Prior to submission of the AFRs, the Town did not have an oversight or review process to ensure that all financial data had been accurately entered.

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. . . ."

CLERK-TREASURER
TOWN OF ENGLISH
EXIT CONFERENCE

The contents of this report were discussed on March 11, 2020, with Tarra Carothers, Clerk-Treasurer; Wayne Carothers, former Clerk-Treasurer; Michael Benham, President of the Town Council; Donnie King, Town Council member; David Sillings, Town Council member; and Mike Huddleston, Town Manager.