

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF FREMONT

STEBEN COUNTY, INDIANA

January 1, 2017 to December 31, 2018



**FILED**  
04/08/2020



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Town Court:	
Audit Result and Comment:	
Internal Controls .....	6
Official Response.....	7
Exit Conference .....	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary K. Parsons	01-01-16 to 12-31-23
President of the Town Council	C. Steven Brown	01-01-17 to 12-31-20
Town Court Judge	The Honorable Christopher A. Snyder	01-01-16 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF FREMONT, STEUBEN COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Fremont (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/](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 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 17, 2020

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TOWN COURT  
TOWN OF FREMONT

TOWN COURT  
TOWN OF FREMONT  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS**

*Condition and Context*

There were several deficiencies in the internal control system of the Town Court related to financial transactions and reporting. The Town had not established a system of internal controls or separated incompatible activities related to cash and investments and disbursements. The failure to establish these controls could have enabled material misstatements to occur and remain undetected.

*Cash and Investments*

One Town Court employee was responsible for the preparation of the monthly bank reconciliations without any oversight, review, or approval procedures to ensure their accuracy.

*Disbursements*

One Town Court employee was responsible for the preparation and posting of all disbursements without any oversight, review, or approval procedures 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. . . ."

# FREMONT TOWN COURT 76IO1

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P. O. Box 669  
205 North Tolford Street  
Fremont, IN 46737  
260-495-9849

March 17, 2020

State Board of Accounts  
302 West Washington Street, Room E 418  
Indianapolis, IN 46204-2765  
OFFICIAL RESPONSE TO AUDIT – Town of Fremont, IN Court

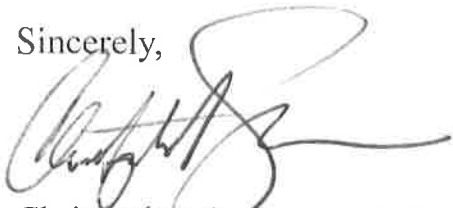
Dear State Board of Accounts,

The Fremont Town Court wishes to file an Official Response to the Audit Results of the Indiana State Board of Accounts of the Town of Fremont Town Court for the years of 2017 and 2018 concluded on March 17, 2020.

Due to the fact that the Fremont Town Court has never experienced a full audit in the past, the Court has not been advised of any deficiencies in their internal controls previously. The Fremont Town Court will implement the internal control suggestions of the Examiners beginning with the 2020 calendar year to rectify these internal control issues pointed by the SBOA Examiners.

Thank you for your assistance in this matter.

Sincerely,



Christopher A. Snyder, Judge  
Fremont Town Court

TOWN COURT  
TOWN OF FREMONT  
EXIT CONFERENCE

The contents of this report were discussed on March 17, 2020, with The Honorable Christopher A. Snyder, Town Court Judge; Mary K. Parsons, Clerk-Treasurer; and C. Steven Brown, President of the Town Council.