

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF OXFORD

BENTON COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
09/30/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Christie Hale	01-01-19 to 12-31-20
President of the Town Council	Randy Jones	01-01-19 to 12-31-19
	Russell Hoaks	01-01-20 to 12-31-20



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 OXFORD, BENTON COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Oxford (Town), for the period from January 1, 2019 to December 31, 2019. 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 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

September 17, 2020

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CLERK-TREASURER
TOWN OF OXFORD

CLERK-TREASURER
TOWN OF OXFORD
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

There was a deficiency in the internal control system of the Town related to financial transactions and reporting. The Town had not separated incompatible activities related to financial close and reporting. The failure to establish internal controls could have enabled material misstatements to occur and remain undetected.

Financial Close and Reporting

One individual entered the Town's financial information into the Indiana Gateway for Government Units financial reporting system, which was the source for the financial statement. There was no evidence that an oversight, review, or approval process was in place to ensure the accuracy of the information 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 OXFORD
EXIT CONFERENCE

The contents of this report were discussed on September 17, 2020, with Christie Hale, Clerk-Treasurer; Russell Hoaks, President of the Town Council; and Jim Deckard, Town Council member.

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TOWN COUNCIL
TOWN OF OXFORD

TOWN COUNCIL
TOWN OF OXFORD
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

Internal Control Training Certifications were not presented for audit for two of the four new Town employees for the 2019 audit period. These were completed by the employees during the audit, to bring the Town into compliance.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

TOWN COUNCIL
TOWN OF OXFORD
EXIT CONFERENCE

The contents of this report were discussed on September 17, 2020, with Christie Hale, Clerk-Treasurer; Russell Hoaks, President of the Town Council; and Jim Deckard, Town Council member.