

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF FRANKLIN

JOHNSON COUNTY, INDIANA

January 1, 2020 to December 31, 2020



**FILED**  
08/24/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jayne Rhoades	01-01-20 to 12-31-21
Mayor	Stephen Barnett	01-01-20 to 12-31-21
President of the Board of Public Works	Stephen Barnett	01-01-20 to 12-31-21
President of the Common Council	Kenneth Austin	01-01-20 to 12-31-21
Utility Office Manager	Sherry Phillips	01-01-20 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF FRANKLIN, JOHNSON COUNTY, INDIANA

This report is supplemental to our audit report of the City of Franklin (City), for the period from January 1, 2020 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Audit Report of the City, which provides our opinions on the City'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

August 17, 2021

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CLERK-TREASURER  
CITY OF FRANKLIN

CLERK-TREASURER  
CITY OF FRANKLIN  
AUDIT RESULT AND COMMENT

**COMPENSATORY TIME**

*Condition and Context*

Employees earned compensatory (comp) time in lieu of being paid overtime. Up to 54.50 hours of comp time was earned for the ten employees selected for testing. At December 31, 2019, comp time balances were in excess of 93 hours for some employees. The City's policy states overtime must be approved in advance; however, no audit evidence of that approval was presented for audit.

*Criteria*

The City of Franklin Employee Handbook, page 36, adopted by the Common Council in 2015 states in part:

"The Department Head will attempt to distribute overtime as equally as practicable to qualified employees within those classifications in which overtime is required. Departments may adopt procedures for assigning overtime consistent with the intent of this policy. Overtime must be approved in advance by the Department Head. . . . For the purposes of calculation of overtime, paid vacation, personal, sick and other paid leave will not be included as physical time worked. Non-exempt employees of the City may receive compensatory time off for overtime hours worked in lieu of overtime pay. With the Department Head's approval, an employee may be switched from compensatory to overtime to compensatory time two times per calendar year."

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
CITY OF FRANKLIN  
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2021, with Jayne Rhoades, Clerk-Treasurer; Stephen Barnett, Mayor; Kenneth Austin, President of the Common Council; and Sharon Barnett, Account Coordinator.