

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CORYDON

HARRISON COUNTY, INDIANA

January 1, 2019 to December 31, 2020



FILED

12/03/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tregala M. King	01-01-19 to 12-31-21
President of the Town Council	Eva North Lester Rhoads	01-01-19 to 12-31-19 01-01-20 to 12-31-21
Superintendent of Water Utility	Stacey Sailor	01-01-19 to 12-31-21
Superintendent of Wastewater Utility	Larry J. Fessel	01-01-19 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF CORYDON, HARRISON COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Corydon (Town), for the period from January 1, 2019 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 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

November 22, 2021

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CLERK-TREASURER
TOWN OF CORYDON

CLERK-TREASURER
TOWN OF CORYDON
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

There was a deficiency in the internal control system of the Town related to the financial close and reporting process. The Town had not separated incompatible activities related to all areas of the financial statements. The Clerk-Treasurer utilized a compiler to upload the Annual Financial Report into the Indiana Gateway for Government Units financial reporting system with no review or oversight to ensure the amounts were reported correctly. The Town did not have a system of internal controls in place, such as an oversight, review, or approval process to ensure the accuracy of the information prior to submission. The failure to establish these internal controls could enable material misstatements to occur and remain 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. . . ."

CLERK-TREASURER
TOWN OF CORYDON
AUDIT RESULTS AND COMMENTS
(Continued)

CAPITAL ASSETS

Condition and Context

The Town did not maintain a detailed listing of all its capital assets during the audit period.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

MVH RESTRICTED FUND

Condition and Context

The Town did not properly receipt 50 percent of the distribution from the State Motor Vehicle Highway Account to the MVH Restricted sub-account. During 2019, the Town receipted the distributions into the Motor Vehicle Highway fund and then made correcting entries in March and July 2019 for the previous months. After September 2019, the Town receipted the full distribution amounts into the Motor Vehicle Highway fund until December 2020, when a correcting entry was made to move 50 percent of the distributions received from January 2020 to November 2020 to the MVH Restricted sub-account.

Criteria

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account, fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

CLERK-TREASURER
TOWN OF CORYDON
EXIT CONFERENCE

The contents of this report were discussed on November 22, 2021, with Pamela J. Byrne, Deputy Clerk-Treasurer; Scott Flickner, Town Manager; and Hope Schneider, Town Council member.