

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF WILLIAMSPORT

WARREN COUNTY, INDIANA

January 1, 2019 to December 31, 2020



FILED
12/07/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	William Lucas Michael Hutchison	01-01-19 to 02-28-21 03-01-21 to 12-31-21
President of the Town Council	Michael Hutchison (Vacant) Randy Wurtsbaugh	01-01-19 to 02-28-21 03-01-21 to 03-03-21 03-04-21 to 12-31-21



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 WILLIAMSPORT, WARREN COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Williamsport (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 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

November 30, 2021

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CLERK-TREASURER
TOWN OF WILLIAMSPORT

CLERK-TREASURER
TOWN OF WILLIAMSPORT
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

The same comment also appeared in prior Reports B51860 and B54036.

Condition and Context

There were deficiencies in the internal control system for the Town related to financial transactions and reporting. The Town had not separated incompatible activities related to cash and investments, receipts, and financial reporting.

Cash and Investments

The Town had designed a process of review by the Clerk-Treasurer and Town Council once the monthly bank reconciliation was completed by the Utility Clerk. However, evidence of the review process was not documented and could not be verified.

Receipts

One employee was responsible for writing the receipts for funds received and preparing the daily deposits for the bank accounts. There were no internal controls in place such as oversight, review, or approval of the daily deposits or receipt postings.

Financial Reporting

The Town had not established internal controls over the preparation of the Annual Financial Report (AFR) entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the financial statement.

The AFR was prepared and submitted by the Clerk-Treasurer without evidence of a review or oversight.

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 WILLIAMSPORT
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2021, with Randy Wurtsbaugh, President of the Town Council; Michael Hutchison, Clerk-Treasurer; Melinda Story, Deputy Clerk-Treasurer; and Amy Cushman, Deputy Clerk-Treasurer.