

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF PERU

MIAMI COUNTY, INDIANA

January 1, 2019 to December 31, 2020



**FILED**  
12/15/2021



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tanisha Soldi	01-01-19 to 12-31-19
	Susan Rylands	01-01-20 to 12-31-21
Mayor	Gabriel Greer	01-01-19 to 12-31-19
	Miles Hewitt	01-01-20 to 12-31-21
President of the Board of Public Works and Safety	Gabriel Greer	01-01-19 to 12-31-19
	Miles Hewitt	01-01-20 to 12-31-21
President Pro Tempe of the Common Council	Kurt Krauskopf	01-01-19 to 12-31-19
	Tim Gustin	01-01-20 to 12-31-20
	Betsy Edwards-Wolfe	01-01-21 to 12-31-21
City Court Judge	Elizabeth Price	01-01-19 to 12-31-21
Chair of the Utility Service Board	Stan Akers	01-01-19 to 12-31-20
	Mary Costin	01-01-21 to 12-31-21
Utility Office Manager	Joyce Shafer	01-01-19 to 12-31-21
Utility General Manager	Joshua Chance	01-01-19 to 12-31-21
President of the Utility Service Board	Stanley Akers	01-01-19 to 04-03-20
	Mary Costin	04-04-20 to 12-31-21
Superintendent of the Water Utility	Jamin Beisiegel	01-01-19 to 12-31-21
Superintendent of the Wastewater Utility	Jamin Beisiegel	01-01-19 to 12-31-21
Superintendent of the Electric Utility	Robert D. Hall	01-01-19 to 12-31-19
	Michael Biesenbach	01-01-20 to 12-31-21
Superintendent of the Stormwater Utility	Jamin Beisiegel	01-01-19 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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TO: THE OFFICIALS OF THE CITY OF PERU, MIAMI COUNTY, INDIANA

This report is supplemental to our audit report of the City of Peru (City), 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 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 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

December 9, 2021

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CLERK-TREASURER  
CITY OF PERU

CLERK-TREASURER  
CITY OF PERU  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

*Repeat Comment*

A similar comment also appeared in prior Report B52987, entitled *BANK ACCOUNT RECONCILIATIONS*.

*Condition and Context*

There were deficiencies in the internal control system of the City related to cash and investments. The City had not properly designed internal controls over cash and investments to ensure that all bank accounts were reconciled.

Bank account reconciliations for the City's Blight Elimination fund were not completed during the audit period. Although the Utilities completed bank reconciliations during the audit period for the "Pool-Cash" (Operating) account, the remaining Utility bank accounts were not reconciled.

*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  
CITY OF PERU  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

### **GATEWAY UPLOADS**

#### *Condition and Context*

The City did not upload the required annual financial information into the Indiana Gateway for Government Units (Gateway) financial reporting system for the years 2019 and 2020. The Utility financial information was also not entered into the Gateway system during the audit period.

#### *Criteria*

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1)

### **CAPITAL ASSETS**

#### *Condition and Context*

The City did not have a capital assets policy; thus, no threshold was set to determine if an item was considered a capital asset. Although the Utilities were following a Utility Board approved memo, no capital assets policy was in place. In addition, the City did not maintain a complete listing of all capital assets.

#### *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)

CLERK-TREASURER  
CITY OF PERU  
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2021, with Susan Rylands, Clerk-Treasurer; Miles Hewitt, Mayor; Betsy Edwards-Wolfe, President Pro Tempore of the Common Council; Pete Sahaidachny, Common Council member; Patricia Russell, Common Council member; Lori Hawk, Deputy Clerk-Treasurer; and Krysten Finicle, Deputy Clerk/Payroll HR.

CITY COURT  
CITY OF PERU

CITY COURT  
CITY OF PERU  
AUDIT RESULT AND COMMENT

**GATEWAY UPLOADS**

*Condition and Context*

The City Court did not upload the required financial information into the Indiana Gateway for Government Units (Gateway) financial reporting system for the years 2019 and 2020.

*Criteria*

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1)

CITY COURT  
CITY OF PERU  
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2021, with Angel McKinney, City Court Clerk; Susan Rylands, Clerk-Treasurer; Miles Hewitt, Mayor; Betsy Edwards-Wolfe, President Pro Tempore of the Common Council; Pete Sahaidachny, Common Council member; and Patricia Russell, Common Council member.

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COMMON COUNCIL  
CITY OF PERU

COMMON COUNCIL  
CITY OF PERU  
AUDIT RESULT AND COMMENT

**CAPITAL ASSETS**

*Condition and Context*

The City did not have a capital assets policy; thus, no threshold was set to determine if an item was considered a capital asset. Although the Utilities were following a Utility Board approved memo, no capital assets policy was in place.

*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)

COMMON COUNCIL  
CITY OF PERU  
EXIT CONFERENCE

The contents of this report were discussed on December 9, 2021, with Susan Rylands, Clerk-Treasurer; Miles Hewitt, Mayor; Betsy Edwards-Wolfe, President Pro Tempore of the Common Council; Pete Sahaidachny, Common Council member; Patricia Russell, Common Council member; Lori Hawk, Deputy Clerk-Treasurer; and Krysten Finicle, Deputy Clerk/Payroll HR.