

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CUMBERLAND

MARION COUNTY, INDIANA

January 1, 2019 to December 31, 2020



FILED
12/21/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Erica Salmon	01-01-19 to 12-31-21
President of the Town Council	Joe Siefker Anna Pea	01-01-19 to 12-31-19 01-01-20 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF CUMBERLAND, MARION COUNTY, INDIANA

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

December 15, 2021

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CLERK-TREASURER
TOWN OF CUMBERLAND

CLERK-TREASURER
TOWN OF CUMBERLAND
AUDIT RESULT AND COMMENT

TIMELY RECORDKEEPING

A similar comment appeared in a Management Letter addressed to the Clerk-Treasurer for the audit period ending December 31, 2018.

Condition and Context

The Town did not make timely deposits, or issue timely receipts, for the monthly remittances from the Town Court. In lieu of depositing the monthly check remittances from the Town Court, the Town voided the monthly checks received from the Town Court, and made periodic transfers of these monies from the Town Court bank account to the Town bank Account.

Additionally, there were errors made in recording of the Town Court transactions. One remittance in the amount of \$1,366 was transferred from the Town Court bank account to the Town bank account. The amount transferred, representing Town Court Collections on behalf of the Town for May 2020 was correct; however, the transaction was not recorded as a receipt on the Town's ledger.

A separate error involved a Town Court check being transferred to the Town bank account and recorded in the Town's ledger in error. The monies in the amount of \$864 should have been sent to the State of Indiana for Town Court transactions from May 2020 and did not belong to the Town. The combination of these errors resulted in the Town's ledger being \$502 short compared to the Town's bank account and the State of Indiana being owed \$864.

Criteria

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)



12/20/2019

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OFFICIAL RESPONSE

Town of Cumberland examination results and comments for the years 2019 & 2020.

TIMELY RECORDKEEPING – 2019 & 2020

Town Court – The Town concurs that errors were made in recording of Court transactions during 2020 that resulted in the Town's ledger being \$502 short as compared to the Town's bank account. All court checks made out to the Town will be submitted to the Utility Billing Clerk to be included on the daily deposit log. They will be processed and accounted for the same as other payments that come to the town. This timely deposit and accounting will help avoid errors like those identified in 2020.

Erica Salmon
Erica Salmon

Clerk Treasurer, Town of Cumberland

CLERK-TREASURER
TOWN OF CUMBERLAND
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2021, with Erica Salmon, Clerk-Treasurer; Anna Pea, President of the Town Council; Ben Lipps, Town Manager; and Allison Gray, Deputy Clerk-Treasurer.