

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF JASONVILLE

GREENE COUNTY, INDIANA

January 1, 2018 to December 31, 2020



FILED
12/22/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jane Landry	01-01-18 to 12-31-21
Mayor	Roy L. Terrell Larry L. Watters, Sr.	01-01-18 to 12-31-19 01-01-20 to 12-31-21
President of the Board of Public Works and Safety	Roy L. Terrell Larry L. Watters, Sr.	01-01-18 to 12-31-19 01-01-20 to 12-31-21
President of the Common Council	Peggy Sluder	01-01-18 to 12-31-21
Utility Superintendent	Robert West	01-01-18 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF JASONVILLE, GREENE COUNTY, INDIANA

This report is supplemental to our audit report of the City of Jasonville (City), for the period from January 1, 2018 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 Statements Audit Report of the City, which provides our opinions on the City's financial statements. 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 Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 16, 2021

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CLERK-TREASURER
CITY OF JASONVILLE

CLERK-TREASURER
CITY OF JASONVILLE
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL CLOSE AND REPORTING

Condition and Context

There was a deficiency in the internal control system, as the City had not separated incompatible activities related to the financial close and reporting process. The Clerk-Treasurer entered all of the City's financial information for the Annual Financial Reports in the Indiana Gateway for Government Units financial reporting system with no review or oversight process to ensure the amounts were reported correctly prior to submission. The failure to establish a system of internal controls could have enabled 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
CITY OF JASONVILLE
EXIT CONFERENCE

The contents of this report were discussed on December 16, 2021, with Jane Landry, Clerk-Treasurer; Larry L. Watters, Sr., Mayor; Doug Hudson, Common Council member; Robert West, Utility Superintendent; Janelle Russell, Utility Clerk; and Jeanette Keller, Utility Clerk.