

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF SHELBYVILLE

SHELBY COUNTY, INDIANA

January 1, 2020 to December 31, 2020



**FILED**  
12/28/2021



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### SCHEDULE OF OFFICIALS

| <u>Office</u>                                | <u>Official</u>  | <u>Term</u>          |
|--|------------------|----------------------|
| Clerk-Treasurer                              | Scott M. Asher   | 01-01-20 to 12-31-21 |
| Mayor  | Thomas D. DeBaun | 01-01-20 to 12-31-21 |
| President of the Board of<br>Public Works    | Thomas D. DeBaun | 01-01-20 to 12-31-21 |
| President of the<br>Common Council           | Robert Nolley    | 01-01-20 to 12-31-21 |
| Superintendent of the<br>Wastewater Utility  | Kevin J. Kredit  | 01-01-20 to 12-31-21 |
| Superintendent of the<br>Storm Water Utility | Derrick S. Byers | 01-01-20 to 12-31-21 |
| Utility Office Manager                       | Beth Corley      | 01-01-20 to 12-31-21 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF SHELBYVILLE, SHELBY COUNTY, INDIANA

This report is supplemental to our audit report of the City of Shelbyville (City), for the period from January 1, 2020 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 Result and Comment contained herein describes an 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  
CITY OF SHELBYVILLE

CLERK-TREASURER  
CITY OF SHELBYVILLE  
AUDIT RESULT AND COMMENT

**FINANCIAL TRANSACTIONS AND REPORTING - ANNUAL FINANCIAL REPORT**

*Condition and Context*

The City had not established internal controls over the fund financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the City's Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (financial statement).

The Clerk-Treasurer prepared and entered the financial information into Gateway with an oversight, review, or approval in place to prevent, or detect and correct, errors on the financial statement.

*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 SHELBYVILLE  
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2021, with Scott M. Asher, Clerk-Treasurer; Jennifer Meltzer, City Attorney; Robert Nolley, President of the Common Council; Thomas D. DeBaun, Mayor and President of the Board of Public Works; Rodger Bowers, Payroll Clerk; Ashley Jhala, Payroll and Accounts Payable Clerk; Stacie Martin, Accounts Payable Clerk; and Megan Clouse, Deputy Clerk-Treasurer.