

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF ZIONSVILLE

BOONE COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
01/26/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Amelia Lacy	01-01-19 to 06-03-20
Chief Financial Officer	Tammy Havard (Vacant)	06-04-20 to 12-23-21 12-24-21 to 12-31-22
Mayor	Tim Haak Emily Styron	01-01-19 to 12-31-19 01-01-20 to 12-31-22
President of the Town Council	Josh Garrett Jason Plunkett	01-01-19 to 12-31-21 01-01-22 to 12-31-22
Superintendent of Wastewater Utility	Barry Cook (Vacant)	01-01-19 to 03-01-21 03-02-21 to 12-31-22
Superintendent of Stormwater Utility	Lance Lantz	01-01-19 to 10-04-20
Director of Public Works	Lance Lantz	10-05-20 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF ZIONSVILLE, BOONE COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Zionsville (Town), for the period from January 1, 2019 to December 31, 2019. 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

January 20, 2022

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CHIEF FINANCIAL OFFICER
TOWN OF ZIONSVILLE

CHIEF FINANCIAL OFFICER
TOWN OF ZIONSVILLE
AUDIT RESULT AND COMMENT

FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

The Town did not have adequate internal controls in place to ensure that all financial activity of the Town was maintained and accurately reported. The financial activity of the Town's self-insurance plan, the Town Court, and the Town's Redevelopment Commission were not reported in the financial statement.

The Town utilized a third-party administrator to administer its self-insurance plan. All financial activity and cash balances were accounted for by the third-party administrator, but were not included in the Town's financial records. The financial activity and cash balances of the Town Court were accounted for by the Town Court, but were not included in the financial statement of the Town. Adjustments to the financial statement for the financial transactions of the self-insurance plan and the Town Court were proposed, approved by management, and were made to the financial statement presented in the Financial Statement Audit Report.

Additionally, there was a Redevelopment Commission bank account that had activity and a cash balance that were not included in the financial records or the financial statement of the Town.

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. . . ."

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)

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CHIEF FINANCIAL OFFICER
TOWN OF ZIONSVILLE
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2022, with Cindy Poore, Deputy Chief Financial Officer; Jason Plunkett, President of the Town Council; Brad Burk, Vice President of the Town Council; Emily Styron, Mayor; and Julie Johns-Cole, Deputy Mayor.