

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF EDINBURGH

JOHNSON COUNTY, INDIANA

January 1, 2019 to December 31, 2020



FILED
02/04/2022

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Audit Results and Comments:	
Capital Assets	6
Certification on Internal Control Standards	6-7
Customer Deposit Register	7
Exit Conference	8
Town Council:	
Audit Result and Comment:	
Training on Internal Control Standards	10
Exit Conference	11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Scott Finley	01-01-19 to 12-31-22
President of the Town Council	Jerry Lollar	01-01-19 to 12-31-19
	Jeff Simpson	01-01-20 to 12-31-21
	Ryan Piercefield	01-01-22 to 12-31-22
Superintendent of Water Utility	Glenn Giles	01-01-19 to 07-10-19
	(Vacant)	07-11-19 to 07-22-19
	Bill Jones	07-23-19 to 12-31-22
Superintendent of Wastewater Utility	Glenn Giles	01-01-19 to 07-10-19
	(Vacant)	07-11-19 to 08-11-19
	Rebecca Frakes	08-12-19 to 12-31-22
Superintendent of Electric Utility	Kevin Rubush	01-01-19 to 12-31-22
Town Manager	Wade Watson	01-01-19 to 03-03-19
	JT Doane	03-04-19 to 10-23-20
	(Vacant)	10-24-20 to 02-07-21
	Dan Cartwright	02-08-21 to 12-31-22
Parks and Recreation Superintendent	Daniel Teter	01-01-19 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE TOWN OF EDINBURGH, JOHNSON COUNTY, INDIANA

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

January 20, 2022

(This page intentionally left blank.)

CLERK-TREASURER
TOWN OF EDINBURGH

CLERK-TREASURER
TOWN OF EDINBURGH
AUDIT RESULTS AND COMMENTS

CAPITAL ASSETS

Condition and Context

The Town and its Utilities did not maintain adequate capital asset records. There was not a clear audit trail showing how the capital assets totals were accumulated. In addition, no physical inventory had been taken to verify that the capital asset records are correct.

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 Assets 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)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Town certified on the Indiana Gateway for Government Units financial reporting system that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Town; however, during the engagement, no evidence was presented that all personnel had received this training.

CLERK-TREASURER
TOWN OF EDINBURGH
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

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](#)."

CUSTOMER DEPOSIT REGISTER

The same comment also appeared in prior Reports B46713 and B53415.

Condition and Context

The detailed Utilities' Customer Deposit Registers (Detailed Registers) did not reconcile with the Utilities' customer deposit cash and investment balances. As of December 31, 2019 and 2020, the Detailed Registers reported less than the Utilities' customer deposit cash and investment balances by \$294,811 and \$360,111, respectively.

Criteria

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)

CLERK-TREASURER
TOWN OF EDINBURGH
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2022, with Scott Finley, Clerk-Treasurer; Ryan Piercefield, President of the Town Council; Dan Cartwright, Town Manager; and Mary Patterson, Director of Administrative Services.

TOWN COUNCIL
TOWN OF EDINBURGH

TOWN COUNCIL
TOWN OF EDINBURGH
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

For 7 of 15 Town employees tested, there was no documentation to verify training on internal control standards was completed and documented.

Criteria

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

TOWN COUNCIL
TOWN OF EDINBURGH
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2022, with Scott Finley, Clerk-Treasurer; Ryan Piercefield, President of the Town Council; Dan Cartwright, Town Manager; and Mary Patterson, Director of Administrative Services.