

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF BEECH GROVE

MARION COUNTY, INDIANA

January 1, 2021 to December 31, 2021



**FILED**  
06/21/2022



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	James Coffman	01-01-21 to 12-31-22
Mayor	Dennis Buckley	01-01-21 to 12-31-22
President of the Board of Public Works and Safety	Dennis Buckley	01-01-21 to 12-31-22
President Pro Tempore of the Common Council	Robert Ferguson	01-01-21 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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE CITY OF BEECH GROVE, MARION COUNTY, INDIANA

This report is supplemental to our audit report of the City of Beech Grove (City), for the period from January 1, 2021 to December 31, 2021. 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 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.

Beth Kelley, CPA, CFE  
Deputy State Examiner

June 2, 2022

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CLERK-TREASURER  
CITY OF BEECH GROVE

CLERK-TREASURER  
CITY OF BEECH GROVE  
AUDIT RESULTS AND COMMENTS

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

The same comment appeared in prior Report B51791.

*Condition and Context*

The Clerk-Treasurer certified that all applicable City employees were provided internal control training. However, documentation that training on internal control standards was provided to all required personnel was not presented for audit.

*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](#)."

**INTERNAL CONTROLS OVER RECEIPTS**

*Condition and Context*

There was a deficiency in the internal control system of the City related to financial transactions and reporting, specifically receipts. The City had not properly designed or implemented internal controls over receipts. There were no verifiable internal controls in place, such as an oversight review, or approval process to ensure the accuracy.

*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:



CLERK-TREASURER  
CITY OF BEECH GROVE  
AUDIT RESULTS AND COMMENTS  
(Continued)

"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. . . ."

***AMERICAN RESCUE PLAN (ARP) ACT REIMBURSEMENTS***

*Condition and Context*

The City established the ARP Coronavirus Local Fiscal Recovery Fund (ARP Fund) to account for the receipts and disbursements related to funds received through the American Rescue Plan Act. On December 1, 2021, the ARP Fund reimbursed the Sewage Utility Operating fund \$19,001 for the City Hall men's bathroom remodel that was originally paid on August 2, 2021.

*Criteria*

State Examiner Directive 2021-1 dated March 18, 2021, regarding Accounting for American Rescue Plan Act (ARP) states in part: ". . . To ensure accountability and transparency of the use of these funds, all disbursements must be made from the ARP grant fund; money from the ARP fund may not be transferred to another fund of the county, city, or town."

CLERK-TREASURER  
CITY OF BEECH GROVE  
EXIT CONFERENCE

The contents of this report were discussed on June 2, 2022, with James Coffman, Clerk-Treasurer; Dennis Buckley, Mayor; Robert Ferguson, President Pro Tempore of the Common Council; and Angie Hofmann, Deputy Clerk-Treasurer.

COMMON COUNCIL  
CITY OF BEECH GROVE

COMMON COUNCIL  
CITY OF BEECH GROVE  
AUDIT RESULT AND COMMENT

***TRAINING ON INTERNAL CONTROL STANDARDS***

The same comment appeared in prior Report B51791.

*Condition and Context*

Documentation of training on internal control standards was only provided for office staff. No documentation was presented for training other personnel.

*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."

COMMON COUNCIL  
CITY OF BEECH GROVE  
EXIT CONFERENCE

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