

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF RUSHVILLE

RUSH COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
08/12/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ann L. Copley	01-01-21 to 12-31-22
Mayor	Michael Pavey	01-01-21 to 12-31-22
President of the Board of Public Works	Michael Pavey	01-01-21 to 12-31-22
President Pro Tempore of the Common Council	Brad Berkemeier	01-01-21 to 12-31-22
Utility Office Manager	Gina Jenkins	01-01-21 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF THE CITY OF RUSHVILLE, RUSH COUNTY, INDIANA

This report is supplemental to our audit report of the City of Rushville (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/.

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

July 26, 2022

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COMMON COUNCIL
CITY OF RUSHVILLE

COMMON COUNCIL
CITY OF RUSHVILLE
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

The City did not provide training on internal control standards for 11 of the 43 new employees in 2021.

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."

Mike Pavey, Mayor
765-932-3735
Ann Copley, Clerk-Treasurer
765-932-2672



City of
Rushville
Indiana

SBOA officials:

On behalf of the City of Rushville Common Council, I am offering response to the following Audit result/comment that was shared during our exit conference this morning.

TRAINING ON INTERNAL CONTROLS

Condition and Context: The City did not provide training on internal controls for 11 of the 43 new employees in 2021.

Response from Common Council:

The eleven employees who did not receive training in 2021 on internal controls were summer staff for the City pool. This training was being provided during years prior to the 2020 pandemic, but it did not occur in 2021 due to unintentional oversight. The City administration chose not to open the pool during the 2020 season due to the pandemic, so we did not have new pool staff to onboard. The pool did open in 2021 and remained open for a full season. In returning to normal pool operations after a 1-year hiatus, internal controls training for 2021 pool staff was unintentionally omitted from their orientation and onboarding process. Council is aware of this unintended oversight, and we plan to ensure that this training is included in their orientation and onboarding process in future years. Thank you for your consideration of this response.

Bradley A Berkemeier, President, Rushville Common Council

COMMON COUNCIL
CITY OF RUSHVILLE
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2022, with Ann L. Copley, Clerk-Treasurer; Michael Pavey, Mayor; and Brad Berkemeier, President Pro Tempore of the Common Council.

CLERK-TREASURER
CITY OF RUSHVILLE

CLERK-TREASURER
CITY OF RUSHVILLE
AUDIT RESULTS AND COMMENTS

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The City incorrectly certified in the Annual Financial Report that they provided training on internal control standards; however, 11 of the 43 new employees did not receive internal control training in 2021.

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](#)."

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

The City correctly posted 50 percent of its Motor Vehicle Highway (MVH) distributions to the MVH Restricted fund as required; however, the City, subsequently, disbursed \$25,367 from the fund to reimburse Indiana Department of Transportation (INDOT) for overpayment on the Community Crossings Grant. The reimbursement to INDOT is not a permissible use of the MVH Restricted fund.

Criteria

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

Mike Pavey, Mayor

765-932-3735

Ann Copley, Clerk-Treasurer

765-932-2672



City of
Rushville
Indiana

July 26, 2022

State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

Re: Official Response
2021 Audit City of Rushville

To Whom it May Concern:

Please add this official response to the City of Rushville's 2021 audit report.

Certification and Training on Internal Controls:

This training has been brought up to date with our new employees. A packet has also been added to the paperwork for new employees.

MVH Restricted Fund:

The disbursement that was incorrectly paid out of the MVH Restricted Fund has been reimbursed to that fund as of June 29, 2022.

Sincerely,

A handwritten signature in cursive script that reads "Ann L. Copley".

Ann L. Copley,
Clerk-Treasurer
City of Rushville

CLERK-TREASURER
CITY OF RUSHVILLE
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2022, with Ann L. Copley, Clerk-Treasurer; Michael Pavey, Mayor; and Brad Berkemeier, President Pro Tempore of the Common Council.