

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF PLAINFIELD

HENDRICKS COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
08/18/2022

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|-----------------|----------------------|
| Clerk-Treasurer | Mark Todisco | 01-01-21 to 12-31-22 |
| President of the Town Council | Robin Brandgard | 01-01-21 to 12-31-22 |
| Utility Office Manager | Jason Castetter | 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 TOWN OF PLAINFIELD, HENDRICKS COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Plainfield (Town), 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 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

August 3, 2022

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CLERK-TREASURER
TOWN OF PLAINFIELD



CLERK-TREASURER
TOWN OF PLAINFIELD
AUDIT RESULTS AND COMMENTS

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Town incorrectly certified in the Annual Financial Report that Town personnel had received training regarding internal control standards as adopted by the Town. The Town was unable to provide documentation that the requisite personnel hired during the audit period had completed the training on internal control standards.

Context

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](#)."

BANK ACCOUNT RECONCILIATIONS

Condition and Context

The Town did not investigate variances in its bank reconciliations and make corrections. The Town did not make the necessary adjustments and transfers between accounts monthly. The Town did not reconcile all bank statements, as the bond statements and CD Investment statements were not reconciled during the audit period.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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. . . .

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

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. . . ."

TIMELY RECORDING

Condition and Context

When testing debt proceed receipts, 55 of the 81 receipts tested were not posted within 30 days of receiving the funds. When testing debt payments, 50 of the 110 disbursements tested were not posted within 30 days of disbursing the funds. The Town often posted receipts and disbursements from the bank statements rather than when the transaction occurred.

Criteria

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)

CAPITAL ASSETS

Condition and Context

The Town did not take a physical inventory within the last two years or maintain a detailed listing of all capital assets owned.

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 Asset 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)

DELINQUENT WASTEWATER AND STORMWATER ACCOUNTS

Condition and Context

Out of the 25 selected, 1 customer had not paid their bill at all in 2021 and a lien was not filed until April 6, 2022. Upon further inquiry with utility staff, liens were only filed one time in the whole year. The Town policy indicates that liens should be filed monthly for all outstanding utility bills.

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

Criteria

Indiana Code 36-9-23-33 states in part:

". . . (c) Except as provided in subsection (m), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

(1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

(A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.

(B) A description of the premises, as shown by the records of the county auditor.

(C) The amount of the delinquent fees, together with the penalty.

(2) an individual instrument for each lot or parcel of real property on which the fees are delinquent.

(d) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(f) . . . Using the lists and instruments prepared under subsection (c) and recorded under subsection (d), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (d), certify to the county auditor a list of the unpaid liens for collection with the next May installment of property taxes. . . ."



TOWN OF PLAINFIELD

206 W. Main Street Plainfield, Indiana 46168

Phone (317) 839-2561 Fax (317) 838-5236

www.townofplainfield.com

Clerk Treasure

TOWN COUNCIL

Audit 2021 Responses

ROBIN G. BRANDGARD
President
Public Safety

Certification on Internal Control Standards

I agree and this will need to be resolved by HR since they do the Boarding process and CT office does not have any discussion with a new employee. I do not plan to sign any documents going forward (AFR) without HR confirmation. We were told that this would be corrected.

BILL KIRCHOFF
Vice-President
Street Department
Stormwater

KENT McPHAIL
Development Services
Economic Development

Bank Account Reconciliations/Timely Recording

We will work with Adam Stone and Scott Walker to assist our Staff in getting caught up on this process and continue to stay in front of this task going forward. Below really applies to both issues.

DAN BRIDGET
Wastewater

LANCE K. ANGLE
Parks Department
Public Relations

We are dealing with a 3 prone beast due to the size and constant growth of our Town. There are a lot of activities, and we will confront them head on. We have a solution for 2021 and plan to get our department through June of 2022. The underlining issues that we are confronted with is staffing and utilizing/learning new software.

MARK J. TODISCO
Clerk-Treasurer

ANDREW J. KLINGER
Town Manager

MELVIN R. DANIEL
Town Attorney

The plan is to assist and train our staff in a step-by-step process and train them so they will understand how to do everything on their own. Also, we will need to reformat are department procedures from within and how we work with our customers request in the future and complete our daily duties within the CT accounting department.

Each week on Thursday our team will meet and review what was accomplished and what we have learned for the week and document new steps for today's team and future teams as this program is built.



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DAN BRIDGET

Wastewater

LANCE K. ANGLE

Parks Department
Public Relations

Capital Assets

The CT office will be working with the Development Services Director and Budget Director to determine how we plan to put the entire Capital Asset Program together. This will be a work in progress, but our goal is to accomplish this by the end of the 2022 year.

Delinquent Wastewater and Stormwater Account

Utility and Liens are now within the DPW department, and I agree this needs to be done and DPW are in process of hiring an Office Manager, a Part time person, and a full-time person that will assist within the department which has been under staffed for quite some time. They plan to train multiple personnel to do this task monthly. CT office will check and make sure this occurs monthly

Training on Internal Controls Standards

I agree and this is an HR function. CT does not do any training or on boarding within the Town of Plainfield. This is 100% function of HR department. HR must make sure this occurs.

Thank you for your efforts with us this year.

Mark Todisco

MARK J. TODISCO

Clerk-Treasurer

ANDREW J. KLINGER

Town Manager

MELVIN R. DANIEL

Town Attorney

CLERK-TREASURER
TOWN OF PLAINFIELD
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2022, with Mark Todisco, Clerk-Treasurer; Robin Brandgard, President of the Town Council; Crissy Livengood, Staff Accountant; Jennifer Setty, Staff Accountant/Accounts Payable; Andrew Klinger, Town Manager; and Scott Walker, Consultant.

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TOWN COUNCIL
TOWN OF PLAINFIELD



TOWN COUNCIL
TOWN OF PLAINFIELD
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

The Town Council did not ensure that all applicable personnel had received training on the internal control standards and procedures adopted by the Town. Of the personnel selected for testing, documentation that employees had received training on internal control standards was not presented for 10 of the 18 new employees.

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 PLAINFIELD
EXIT CONFERENCE

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