

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF SEYMOUR

JACKSON COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
09/29/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Darrin Boas	01-01-21 to 12-31-22
Mayor	Matthew Nicholson	01-01-21 to 12-31-22
President of the Board of Public Works and Safety	Matthew Nicholson	01-01-21 to 12-31-22
President Pro Tempore of the Common Council	David W. Earley	01-01-21 to 12-31-22



STATE OF INDIANA
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TO: THE OFFICIALS OF THE CITY OF SEYMOUR, JACKSON COUNTY, INDIANA

This report is supplemental to our audit report of the City of Seymour (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

September 22, 2022

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CLERK-TREASURER
CITY OF SEYMOUR

CLERK-TREASURER
CITY OF SEYMOUR
AUDIT RESULTS AND COMMENTS

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Clerk-Treasurer incorrectly certified on the Annual Financial Report that all required personnel had received internal control training. Some seasonal Parks department personnel, which required training over internal control standards because their positions involved duties such as receiving, processing, depositing, disbursing, or otherwise having access to funds, had not received the internal control training.

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 FUNDS

Condition and Context

The City established its Motor Vehicle Highway (MVH) fund using fund number 408, but the proper fund number should be 201. The City properly established the MVH Restricted fund using fund number 203.

Additionally, there were expenses that were not related to the to the construction, reconstruction, or preservation of the City's highways for 2 out of 10 disbursements tested. The exceptions included payments for an annual software subscription and payroll expenses for four employees during a single pay period. Documentation was not provided for the payroll expenses charged to the fund to show that the work performed by these employees was for the construction, reconstruction, or preservation of the City's highways.

Criteria

On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows:

...

Cities and Towns

Fund 201	MVH
Fund 203	MVH Restricted

Together, MVH and MVH Restricted shall constitute the total MVH Fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report. . . . (State Examiner Directive 2018-2)

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."

CLERK-TREASURER
CITY OF SEYMOUR
EXIT CONFERENCE

The contents of this report were discussed on September 22, 2022, with Darrin Boas, Clerk-Treasurer; Matthew Nicholson, Mayor; David W. Earley, President Pro Tempore of the Common Council; and Jerry Hackney, Common Council member.

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COMMON COUNCIL
CITY OF SEYMOUR

COMMON COUNCIL
CITY OF SEYMOUR
AUDIT RESULT AND COMMENT

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

The City did not provide the requisite internal control training for employees that handle City funds. Some seasonal Parks department personnel, which required training over internal control standards because their positions involved duties such as receiving, processing, depositing, disbursing, or otherwise having access to funds, had not received the internal control training.

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 SEYMOUR
EXIT CONFERENCE

The contents of this report were discussed on September 22, 2022, with Darrin Boas, Clerk-Treasurer; Matthew Nicholson, Mayor; David W. Earley, President Pro Tempore of the Common Council; and Jerry Hackney, Common Council member.