

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

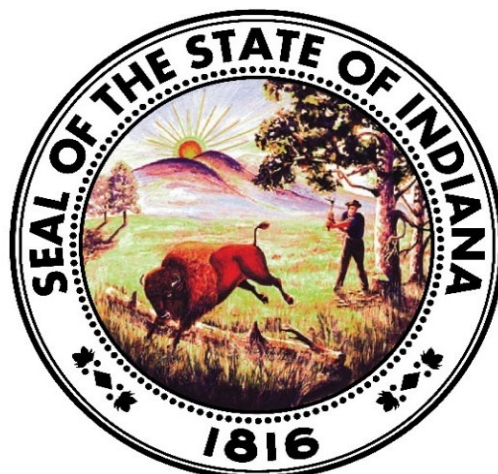
SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF ANGOLA WATER AND WASTEWATER UTILITIES

STEBEN COUNTY, INDIANA

January 1, 2020 to December 31, 2021



FILED

11/15/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Debra A. Twitchell Ryan P. Herbert	01-01-20 to 06-30-21 07-01-21 to 12-31-22
Mayor	Richard M. Hickman	01-01-20 to 12-31-22
President of the Board of Public Works and Safety	Richard M. Hickman	01-01-20 to 12-31-22
President Pro Tempore of the Common Council	David B. Martin	01-01-20 to 12-31-22
Superintendent of Water Utility	Thomas H. Selman	01-01-20 to 12-31-22
Superintendent of Wastewater Utility	Craig A. Williams (Vacant) Jeffery S. Gaff	01-01-20 to 04-03-21 04-04-21 to 05-01-21 05-02-21 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF ANGOLA WATER AND
WASTEWATER UTILITIES, STEUBEN COUNTY, INDIANA

This report is supplemental to our audit report of the City of Angola Water and Wastewater Utilities (Utilities), for the period from January 1, 2020 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 Utilities. It should be read in conjunction with our Financial Statements Audit Report of the Utilities, which provides our opinions on the Utilities financial statements. 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

November 9, 2022

CITY OF ANGOLA WATER AND WASTEWATER UTILITIES
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS - NOTES TO THE FINANCIAL STATEMENTS

Condition and Context

The Water and Wastewater Utilities did not have documented evidence of review of the Notes to the Financial Statements.

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:

"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. . . ."

CITY OF ANGOLA WATER AND WASTEWATER UTILITIES
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2022, with Ryan P. Herbert, Clerk-Treasurer; Richard M. Hickman, Mayor; David B. Martin, President Pro Tempore of the Common Council; Gary Crum, Common Council member; Jerry McDermid, Common Council member; Dave Olson, Common Council member; Debra A. Twitchell, former Clerk-Treasurer; and Stephanie Dean, Deputy Clerk-Treasurer.