State Board Of Accounts – Indiana Code 5-11

- Audit the records and accounts of all state and local governmental units
- Prepare reports indicating the financial condition of these units and comments on any noncompliance with laws or uniform compliance guidelines
- Prescribe uniform system of accounting
State Board Of Accounts – An Overview

Mission Statement:

We are dedicated to providing the citizens of the State of Indiana with complete confidence in the integrity and financial accountability of state and local government.

State Board Of Accounts – An Overview

Board

Financial and Compliance Auditors

Federal Audit Specialists

Special Investigations

Directors of Audit Services
State Board Of Accounts – An Overview

Engagement Types

Report comments

• Noncompliance with statute

• Noncompliance with uniform compliance guidelines
  *(published in manuals and bulletins: www.in.gov/sboa)*

State Board Of Accounts – An Overview

Financial and Compliance Audit Reports

Official Response

Repeat Comments

Special Investigations

Attorney General

Prosecutor

INDIANA STATE BOARD OF ACCOUNTS
Filed Audit Reports

www.in.gov/sboa
SBOA COVID 19 Memorandums

Policy Regarding Coronavirus

Coronavirus Items to Consider

Assistance During COVID-19

Continuity of Essential Operations

Attorney Representation Letter

• Pending or Threatened Litigation, Claims and Assessments

• Unasserted Claims and Assessments

• Time Period Covered

• Date of Letter
Indiana Code 5-11-1-27

Report of Misappropriation

• Actual or Reasonable Cause
  • to believe a misappropriation has occurred

• Shall immediately send written notice to
  • State Board of Accounts
  • County Prosecutor

Indiana Code 5-11-1-27

Report of Variance / Loss

• Materiality Threshold
• Shall be reported immediately
  to the State Board of Accounts
Reporting under IC 5-11-1-27

Common Questions & Audit Findings
Internal Controls

Adoption of Standards
IC 5-11-1-27

Training of Employees
IC 5-11-1-27

Policies
• Ethics
• Organizational Structure
• Expectations

SBOA Best Practice Documents

Internal Controls - Local Policies

Chapter 1 – Local Policies
- Alcohol Purchases
- Bad Debts and Uncollectible Accounts
- Capital Assets
- Contracting with a Unit
- Credit Cards
- Debit/Procurement Cards
- Investments (IC 5-13-9-5.7)
- Leave and Overtime
- Materiality
- Nepotism
- Personal Property Use
- Procurement Policy (2 CFR 200.318)
- Travel Policy
Common Internal Control Findings

Did not separate incompatible activities related to receipts, disbursements, and payroll.

There was no evidence of an oversight, review, or approval process.

Did not have a review or approval process over bank reconciliation or over financial close and reporting.

Internal Controls - Payroll

Compensation Paid

Withholdings

Payroll Service Providers
Internal Controls - Bank Transactions

Cash Withdrawals
Checks Payable to Cash
Counter Checks
EFTs
Duplicate Payments

Internal Controls - Unauthorized Transactions

• Utility Bill Adjustments
• Credit Card Purchases
• Debit Card Purchases
• Electronic Funds Transfers
Internal Controls - Penalties and Interest

Claims Process
Recurring Payments
Internal Controls

Collections
Fees
Statute
Ordinance
Internal Controls
Electronic Payments IC 36-1-8-11
Disbursements

Authorization
- Statutory Provisions
- Ordinance
- Policy

Supporting Documentation
- IC 5-11-10-1.6
- Credit Cards

Appropriations
- Cities IC 36-4-8-2
- Towns IC 36-5-4-2
- Council IC 6-1.1-18-4 & 10

Document and Explain Procedures Used
- Public Works Law IC 36-1-12
- Public Purchases Law IC 5-22
  Special Purchasing Methods IC 5-22-10
- Purchase of Land IC 36-1-10.5
- RDC IC 36-7-14-22

Creating New funds

• Ordinance IC 36-1-3
  • Type of Revenue
  • Purpose for which expenditures can be made
  • Life of the Fund
  • Disposition of the Fund
  • Other Terms Considered Necessary

*Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7*
Compensation

Salary Ordinance – IC 36-4-7 & IC 36-5-3

- Annual Amount v. Biweekly Pay
- 27th Pay
- Pay Period
- Change in Compensation
- Employee v. Elected Official
- Longevity, Bonuses, Certifications
- Overtime Provisions

Employee Benefits Ordinance – IC 5-10-6-1

Utilities

- Fees IC 8-1.5-3-8
- Penalties IC 36-9-23-31
- Bad Debt Write Offs IC 36-9-23-33(m) (sewer) IC 8-1.5.5 (stormwater) Local Policy (other)
- Lien Process IC 36-9-23
- Cash Reserve Fund IC 8-1.5.3-11
- Loans to Municipality IC 8-1.5.3.12
- Loans Between Utilities IC 8-1.5.3.11(f)
### Redevelopment

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<tr>
<td>Redevelopment Plan</td>
<td>IC 36-7-14-15, 16, 17.5</td>
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<tr>
<td>Serving the TIF Allocation Area</td>
<td>IC 36-7-14-39(b)(3)(J)</td>
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<td>RDC Statutory Funds</td>
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### Economic Development

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<tr>
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<tr>
<td>Promotion of City and Town Business</td>
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<td><em>December 2015</em></td>
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<td><em>Cities and Towns Bulletin</em></td>
<td></td>
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<tr>
<td>IC 36-7-2-7 &amp; IC 36-1-3</td>
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Volunteer Fire Departments

Authority to contract for fire protection  IC 36-8-12-3

Negotiated Amount  IC 36-8-12-4

In writing for a fixed term IC 36-8-12-4.5

Expectations

Fundraising Activities

Moving Traffic Violations

Processed through Court or Traffic Violations Bureau

IC 36-1-6-3

State Examiner Directive 2015-1
Conflicts

- Dual Office Holding Indiana Constitution Art. 2 Sec. 9
  - (OAG Dual Office Holding Guide)

- Conflict of Interest IC 35-44.1-1-4

- Ghost Employment IC 35-44.1-1-3

- Contracting with a Unit IC 36-1-21

- Nepotism IC 36-1-20.2

- Governmental Employee Holding Office IC 3-5-9

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