



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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August 25, 2014

TO: THE OFFICIALS OF MADISON TOWNSHIP, WASHINGTON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Madison Township (Township), for the period of January 1, 2010 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Current Period Comments

- *The bank statements for all of the months in 2010 were not presented for review.*
- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for all of months in 2010 and 2011, and several of the months in 2012.*
- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*
- *The Township did not present for review the W-2s for its employees for 2010.*
- *No supporting documentation such as receipts, invoices, and other public records for the expenditures paid in 2010 was presented for review.*

- *The Township Board passed a resolution on October 11, 2012, that was represented as the Township's Nepotism Policy. However, in the text of the resolution, the statute on nepotism (Indiana Code 36-1-20.2-9) was not cited. The statute cited in the text of the resolution was the statute related to Contracting With a Unit (Indiana Code 36-1-21-4). No separate Contracting With a Unit Policy required by Indiana Code 36-1-21-4 was presented for review.*
- *The Trustee did not certify in writing that he had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012. The Trustee and Township Board members did not certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on July 15, 2014, with James L. Badger, Trustee, and Kathleen M. Zelivets, Clerk. Any Official Response attached to this letter was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner