

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WAYNE TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2022 to December 31, 2022



**FILED**  
08/10/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Charles J. Jones	01-01-22 to 06-27-22
	Pam Presley (interim)	06-28-22 to 07-09-22
	Jeb Bardon	07-10-22 to 12-31-23
Judge	The Honorable Gerald Coleman	01-01-22 to 12-31-23
Chair of the Township Board	Bryan Chatfield	01-01-22 to 12-31-23
Fire Chief	Mike Lang	01-01-22 to 07-09-22
	Matt Stewart (interim)	07-10-22 to 07-31-22
	Marcus Reed	08-01-22 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF WAYNE TOWNSHIP, MARION COUNTY, INDIANA

This report is supplemental to the audit report of Wayne Township (Township), for the period from January 1, 2022 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Township. It should be read in conjunction with the Financial Statement Audit Report of the Township, which provides our opinions on the Township's financial statement. This report may be found at [www.in.gov/sboa/](http://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

July 11, 2023

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TRUSTEE  
WAYNE TOWNSHIP, MARION COUNTY

TRUSTEE  
WAYNE TOWNSHIP, MARION COUNTY  
AUDIT RESULTS AND COMMENTS

**CAPITAL ASSETS**

This is a repeat comment from the immediately prior Report B60533.

*Condition and Context*

The Township did not have a complete detailed listing of all capital assets owned, which reflects their acquisition value. The Township could not produce documentation of a physical inventory being conducted.

*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 Townships, Chapter 1)

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

This is a repeat comment from the immediately prior Report B60533.

*Condition and Context*

The Township certified on the Indiana Gateway for Government Units financial reporting system that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Township; however, the Trustee indicated that all personnel had not received training concerning the internal control standards.

*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](#)."

**TRAINING ON INTERNAL CONTROLS STANDARDS**

This is a repeat comment from the immediately prior Report B60533.

*Condition and Context*

Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township had not received training over internal control standards during or before the audit period. Beginning in April of 2023, all current and new hire Township Assistance employees received the training.

TRUSTEE  
WAYNE TOWNSHIP, MARION COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

*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."

**CONTRACTS**

*Condition and Context*

Testing identified one vendor that was paid for services without a supporting written contract. During the engagement period this vendor was paid \$28,615.

*Criteria*

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**INTERNAL CONTROLS**

*Condition and Context*

The Township had not separated incompatible activities related to Self Insured Health Insurance Fund disbursements. The Operations Director recorded the Self Insured Health Insurance Fund disbursements into the Township's accounting software without documentation of an oversight, review, or approval process to ensure the accuracy of the information entered.

*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. . . ."



## **Audit Response to Comments in Financial Findings**

**Audit – 2022 Response date 7/11/23**

### **Capital Assets**

In 2023 we have purchased a new Fixed asset software to track all assets for all areas which include Fire, Township, Small Claims Court, and Assistance.

The Township approved a new resolution for Fixed Asset Threshold which is now anything over \$5000 for a single item. The Fire Operations is setting up the software and going through to tag and record each asset.

The fixed assets will be maintained in the Fire Department with a purchase or disposal of all assets and will be reviewed by Fixed asset oversight in Fire Department as well as the offsite accounting team at a minimum of each year.

### **Certification of Internal Controls Standards**

The Trustee had an internal meeting for all affected employees to watch the SBOA training video and then sign the paperwork. The paperwork is now being filed by HR in each employee’s file. If it pertains to a new hire they will watch the video and sign the paperwork. The HR Department will be doing this.

### **Training on Internal Control Standards**

The Trustee had an internal meeting for all affected employees to watch the SBOA training video and then sign the paperwork. The paperwork is now filed in each employee’s file. If it pertains to a new hire they will watch the video and sign the paperwork. The HR Department will be doing this.

### **Contracts**

The Trustee is reviewing all contracts at this time and will be passing a policy to what is determined to be a viable contract. A contract that is over \$50,000 will be uploaded to Gateway. We will monitor the contracts to show they have an out clause and an end date which will include the amount or hourly rate. They will be reviewed and signed by the Trustee.

### **Internal Controls**

Health Insurance disbursements is now being printed by the in-house accounting specialist for the Township. The prints off the detail to tie to the check. Then the outside accounting vendor pays that bill. Then, the Trustee signs the check, and the backup documentation is filed for reference and audit review. This in part of the internal controls manual that is being approved by the board.

TRUSTEE  
WAYNE TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 11, 2023, with Jeb Bardon, Trustee; Lynn McWhirter, Senior Director of Operations; Marcus Reed, Fire Chief; Sally Prunty, Township Accounting Specialist; Michael Claytor, Township Attorney; and Beth Marsh, Book Keeping Plus.

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SMALL CLAIMS COURT  
WAYNE TOWNSHIP, MARION COUNTY

SMALL CLAIMS COURT  
WAYNE TOWNSHIP, MARION COUNTY  
AUDIT RESULT AND COMMENT

**TRUST ITEMS OVER FIVE YEARS OLD**

*Condition and Context*

Our review of trust items on hand revealed that \$31,400 had been on hand for a period of five years or longer, as of December 31, 2022.

*Criteria*

Indiana Code 32-34-1-20(c) states in part:

"Property that is held, issued, or owed in the ordinary course of a holder's business is presumed abandoned if the owner or apparent owner has not communicated in writing with the holder concerning the property or has not otherwise given an indication of interest in the property during the following times: . . .

- (6) For property or proceeds held by a court or a court clerk, five (5) years after the property or proceeds become distributable. The property or proceeds must be treated as unclaimed property under [IC 32-34-3](#). . . ."

Indiana Code 32-34-1-26(a) states:

"A holder of property that is presumed abandoned and that is subject to custody as unclaimed property under this chapter shall report in writing to the attorney general concerning the property. Items of value of less than fifty dollars (\$50) may be reported by the holder in the aggregate."

Indiana Code 32-34-1-27(a) states "Except as provided in subsections (b) and (c), on the date a report is filed under section 26 of this chapter, the holder shall pay or deliver to the attorney general the property that is described in the report as unclaimed."

SMALL CLAIMS COURT  
WAYNE TOWNSHIP, MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 11, 2023, with Jeb Bardon, Trustee; Lynn McWhirter, Senior Director of Operations; Marcus Reed, Fire Chief; Sally Prunty, Township Accounting Specialist; Gerald Coleman, Small Claims Court Judge; Michael Claytor, Township Attorney; Whitney Hessler, Court Bookkeeper; Tiffany Wallace, Court Supervisor; and Beth Marsh, Book Keeping Plus.