STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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November 8, 2023

TO: THE OFFICIALS OF KELSO TOWNSHIP, DEARBORN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Kelso Township (Township), Dearborn County, for the period of January 1, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

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 by management can be found on the Gateway Website: www.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.

Comments

BANK ACCOUNT RECONCILIATIONS

A similar comment also appeared in prior Report B55028.

Condition and Context

Five months of the engagement period were randomly selected to test if a depository reconciliation of the fund balances to the bank account balances was prepared for those months. The Township was unable to present documentation that a depository reconciliation of the fund balances to the bank account balances was prepared for those months selected for testing.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

BOARD MINUTES

Condition and Context

Minutes of meetings of the Township Board were not presented for review for 2019 and 2020. Also, we could not verify if the Township Board reorganized in 2019, 2020, 2021, and 2022 as required by law.

Criteria

Indiana Code 36-6-6-7 states:

"(a) The legislative body shall meet at the office of the executive on the first Tuesday after the first Monday in January of each year. At this meeting the legislative body shall elect one (1) member as chair for that year and one (1) member as secretary for that year.

(b) If a newly elected legislative body holds a special meeting before the first Tuesday after the first Monday in the January following its election, it shall elect a chair and a secretary before conducting any other business. The chair and secretary elected at the special meeting retain those positions until the first Tuesday after the first Monday in January of the year following the special meeting."

Indiana Code 36-6-6-8 states:

"The legislative body shall keep a permanent record of its proceedings in a book furnished by the executive. The secretary of the legislative body shall, under the direction of the legislative body, record the minutes of the proceedings of each meeting in full and shall provide copies of the minutes to each member of the legislative body before the next meeting is convened. After the minutes are approved by the legislative body, the secretary of the legislative body shall place the minutes in the permanent record book. The chair of the legislative body shall retain the record in the chair's custody."

MONTHLY AND ANNUAL ENGAGEMENT UPLOADS

Condition and Context

As of October 26, 2023, the Township had not uploaded all required monthly and annual engagement uploads for 2019, 2020, 2021, and 2022 into the Indiana Gateway for Government Units financial reporting system as required by Amended State Examiner Directive 2018-1.

Criteria

The following files and governmental unit information are required to be uploaded monthly . . . :

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes . . .
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund . . .

The following files and governmental unit information are required to be uploaded annually . . .

- Year-end Investment Statements (for Counties - County Treasurer)
- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (or Schedule) and Amendments (except Schools)
- Annual Vendor History Report

- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund . . .
- Optional: Excel Data Capture/Data Dump (in lieu of Detail of Receipts and Disbursements)

(Amended State Examiner Directive 2018-1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

TRAINING ON INTERNAL CONTROLS STANDARDS

A similar comment also appeared in prior Report B55028 entitled, *ADOPTION OF AND TRAINING ON INTERNAL CONTROL STANDARDS.*

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 that was developed or approved by the Indiana State Board of Accounts.

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."

100R - CERTIFIED REPORT FILED AFTER DUE DATE

Condition and Context

The Township's Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) for 2020 was not filed electronically until March 17, 2021, which was 45 days past the due date.

Criteria

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under IC 5-14-3.8-7."

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
As of December 31, 2022

Fund	Cash and Investments 12-31-22
Township	$ 20,156
Township Assistance	14,571
Fire Fighting	2,575
Rainy Day	595
Cemetery Fund	1,000
Total	$ 38,897

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Doug Dole, Trustee, on October 26, 2023.

Respectfully,

Beth Kelley

Beth Kelley, CPA, CFE
Deputy State Examiner