

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

FALL CREEK TOWNSHIP

HENRY COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

01/03/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Steve Thompson Joseph Cooper	01-01-19 to 08-18-22 08-19-22 to 12-31-23
President of the Township Board	Kyle Hall	01-01-19 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FALL CREEK TOWNSHIP, HENRY COUNTY, INDIANA

This report is supplemental to the audit report of Fall Creek Township (Township), for the period from January 1, 2019 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 Statements Audit Report of the Township, which provides our opinions on the Township's 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 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

December 20, 2023

FALL CREEK TOWNSHIP, HENRY COUNTY
AUDIT RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

A similar comment also appeared in prior Reports B45868 and B53942, entitled *SALARY RESOLUTION*.

Condition and Context

The Township did not provide an annual salary resolution or ordinance, minutes of the Township Board, or other documentation setting and approving the salaries of Township officers and employees during the audit period.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

RECORDS RETENTION

The same comment also appeared in prior Report B53942.

Condition and Context

The following records were not presented for the audit period:

- W-2s for employees of the Township.
- Form 1099s for payments to contracted individuals for cemetery maintenance services.

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

FALL CREEK TOWNSHIP, HENRY COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

SUPPORTING DOCUMENTATION

The same comment also appeared in prior Report B53942.

Condition and Context

Supporting documentation was not provided for benefits paid on behalf of the Deputy Trustee totaling \$5,510 in 2021 and \$5,554 in 2022.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B53942.

Condition and Context

The Township certified on the Indiana Gateway for Government Units financial reporting system for 2019, 2020, 2021, and 2022 that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, during the engagement, we determined the Township adopted the internal control policy in September 2022; therefore, this certification was incorrect for the first three years.

Additionally, the Township certified for the same years that training on internal control standards was completed; however, we determined that training on internal control standards was not performed until October 2022.

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](#)."

FALL CREEK TOWNSHIP, HENRY COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

TRAINING ON INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B53942.

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 until October 2022.

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."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Condition and Context

The Township did not issue W-2s or 1099's for payments to contracted individuals for cemetery maintenance services for the calendar year 2020. As a result, the Township was assessed a penalty of \$1,800, which was paid on October 14, 2023.

Criteria

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)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

Debt payments to Old National Bank due on January 1, 2022, and July 1, 2022, were paid by the Township on January 10, 2022, and July 19, 2022, which were 18 days and 21 days late, respectively. The Township was assessed and paid late charges of \$1,400 and \$3,005, respectively for these late payments.

FALL CREEK TOWNSHIP, HENRY COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

FALL CREEK TOWNSHIP, HENRY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2023, with Joseph Cooper, Trustee; Kyle Hall, President of the Township Board; and Chase Heinold, Township Board member.