

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

LAFAYETTE TOWNSHIP

MADISON COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED
01/05/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Stephen D. Anderson	01-01-19 to 01-18-22
	Terry Bailey	01-19-22 to 12-31-22
	Korey Hughes	01-01-23 to 12-31-23
Chair of the Township Board	Terry Bailey	01-01-19 to 12-31-21
	Jeff Jerrell	01-01-22 to 12-31-22
	William Amick	01-01-23 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to the audit report of Lafayette 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 21, 2023

LAFAYETTE TOWNSHIP, MADISON COUNTY
AUDIT RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

Condition and Context

The pay rates for the Fire and EMS personnel were not adequately defined in the 2021 and 2022 salary resolutions. The 2021 salary resolution included a line item indicating 30 Firemen/EMTs at \$41,500 per year. The \$41,500 is not annual pay for each firefighter, but rather the grand total amount expected to be paid among all personnel.

Similarly, the 2022 salary resolution included a line item indicating 30 Firemen/EMTs at \$71,578 per year, to be paid among all personnel.

The Township provided supporting documentation that indicated Fire/EMTs personnel were paid based on the number of EMS/Fire runs, fuel pay, shift pay, and similar activities that were being charted and tracked for each Fire/EMS employee. A formal policy that explained the various factors and how individual pay was to be determined was not provided for audit.

We recommended that the Township Board formally adopt a policy for Fire/EMTs pay. We also recommended that future salary resolutions align with the policy for Fire/EMTs pay.

In 2020, one employee was paid for a position that was not listed on the salary resolution. The responsibilities and position were known by the Township Board, but the pay rate was not formally approved.

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)

CAPITAL ASSETS

A similar comment appeared in a Management Letter addressed to the Trustee for the review period ending December 31, 2018.

Condition and Context

The Township did not provide a complete, detailed listing of capital assets that includes acquisition values, and there was no audit evidence that the Township had performed a complete physical inventory of capital assets within the last two years.

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)

LAFAYETTE TOWNSHIP, MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 21, 2023, with Korey Hughes, Trustee; David Wise, Township Board member; and Patty Mauck, Township Board member.