

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

COMPLIANCE ENGAGEMENT REPORT

OF

WASHINGTON TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2018 to December 31, 2023



FILED
04/26/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Small Claims Court Judge	Steven G. Poore	01-01-18 to 12-31-24
Trustee	Frank T. Short	01-01-18 to 12-31-24
Chair of the Township Board	Emily Denton Eric D. Poole, Sr.	01-01-18 to 12-31-22 01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Washington Township (Township), for the period of January 1, 2018 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Township as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

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. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Frank T. Short, Trustee; Steven G. Poore, Small Claims Court Judge; and Emily Denton, Secretary of the Township Board, on April 10, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 25, 2024

WASHINGTON TOWNSHIP, MARION COUNTY
COMMENTS

TRAINING ON INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B51952.

Condition and Context

The Township certified on the Indiana Gateway for Government Units financial reporting system that all employees had received the required training on internal controls. However, documentation could not be provided that 16 of the 19 staff members employed in 2023 had received the required training.

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](#)."

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

BANK ACCOUNT RECONCILIATIONS - COURT

Condition and Context

Due to a lack of internal controls over the bank reconciliation process for the Small Claims Court, the following issues were found:

- Depository reconciliations of the Small Claims Court's bank account balances to the Township's funds ledgers were conducted monthly. The adjusted bank balance agreed to the total reported amount in the accounting software on December 31, 2018, 2019, 2020, 2021, 2022, and 2023; however, there were numerous reconciling items that date back to 2010 that have remained uncorrected on the bank reconciliations. Many of these items were unidentified or posting errors. Included in these posting errors were two large checks that were voided incorrectly, causing the ending cash balance for each year during the audit period to be understated by \$104,996.
- In addition, of the 18 bank reconciliations tested, 2 of these were not completed in a timely manner, which is within the next month. The March 2018 reconciliation was not completed until September 13th, 2018, and the January 2021 reconciliation was not completed until April 1, 2021.

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."

OFFICIAL RESPONSE

April 11, 2024

State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

RE: Washington Township – Marion County Trustee Official Responses

Audit Response for period January 1, 2018 – December 31, 2023

Training on Internal Controls Standards


The audit showed that we did not have the proper training documentation showing Internal Controls training was completed by each staff member working with money.

We have and will complete all the necessary training and then have each person sign the certification stating they have been trained as required by the State Board of Accounts.

The Township administration will keep these forms on file for future reference and be available for the next SBOA audit.

Please accept this letter as my response to the audit report for the audit conducted at the Washington Township Trustee's office.

Cordially,



Frank T. Short
Trustee

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

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WASHINGTON TOWNSHIP, MARION COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2018 and 2019

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18	Receipts	Disbursements	Cash and Investments 12-31-19
TOWNSHIP FUND	\$ 1,021,679	\$ 1,219,122	\$ 1,153,053	\$ 1,087,748	\$ 1,138,148	\$ 1,129,631	\$ 1,096,265
TOWNSHIP ASSISTANCE	1,164,217	1,016,132	837,497	1,342,852	729,011	621,494	1,450,369
RAINY DAY FUND	506,883	9,340	-	516,223	14,080	-	530,303
PAYROLL DEDUCTION	-	164,076	164,076	-	167,435	167,435	-
Small Claims Court	147,991	2,018,907	2,010,682	156,216	2,006,248	2,016,092	146,372
Totals	<u>\$ 2,840,770</u>	<u>\$ 4,427,577</u>	<u>\$ 4,165,308</u>	<u>\$ 3,103,039</u>	<u>\$ 4,054,922</u>	<u>\$ 3,934,652</u>	<u>\$ 3,223,309</u>

WASHINGTON TOWNSHIP, MARION COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
TOWNSHIP FUND	\$ 1,096,265	\$ 1,446,730	\$ 1,151,733	\$ 1,391,262	\$ 3,732,824	\$ 1,278,831	\$ 3,845,255
TOWNSHIP ASSISTANCE	1,450,369	373,703	553,050	1,271,022	383,948	510,822	1,144,148
RAINY DAY FUND	530,303	8,588	-	538,891	809	-	539,700
CARES PROVIDER RELIEF FUND	-	1,799	66,023	(64,224)	64,224	-	-
PAYROLL DEDUCTION	-	166,299	166,299	-	168,208	168,208	-
SMALL CLAIMS COURT	146,372	1,442,284	1,504,690	83,966	1,832,220	1,762,305	153,881
Totals	<u>\$ 3,223,309</u>	<u>\$ 3,439,403</u>	<u>\$ 3,441,795</u>	<u>\$ 3,220,917</u>	<u>\$ 6,182,233</u>	<u>\$ 3,720,166</u>	<u>\$ 5,682,984</u>

WASHINGTON TOWNSHIP, MARION COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
TOWNSHIP FUND	\$ 3,845,255	\$ 569,201	\$ 1,239,707	\$ 3,174,749	\$ 983,704	\$ 1,304,304	\$ 2,854,149
TOWNSHIP ASSISTANCE	1,144,148	1,294,548	559,907	1,878,789	1,035,143	816,957	2,096,975
RAINY DAY FUND	539,700	810	-	540,510	12,299	-	552,809
PAYROLL DEDUCTION	-	176,854	176,854	-	183,739	183,739	-
SMALL CLAIMS COURT	153,881	1,817,237	1,832,282	138,836	2,035,341	2,023,766	150,411
Totals	<u>\$ 5,682,984</u>	<u>\$ 3,858,650</u>	<u>\$ 3,808,750</u>	<u>\$ 5,732,884</u>	<u>\$ 4,250,226</u>	<u>\$ 4,328,766</u>	<u>\$ 5,654,344</u>