

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

COMPLIANCE ENGAGEMENT REPORT

OF

YORK TOWNSHIP

STEUBEN COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
05/06/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Linda Bidlack	01-01-19 to 12-31-24
Chair of the Township Board	David Somerlott	01-01-19 to 12-31-19
	Richard Jarrell	01-01-20 to 12-31-21
	Irene Thompson	01-01-22 to 12-31-22
	David Somerlott	01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF YORK TOWNSHIP, STEUBEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of York Township (Township), for the period of January 1, 2019 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 Linda Bidlack, Trustee, and David Somerlott, Chair of the Township Board, on April 30, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 12, 2024

YORK TOWNSHIP, STEUBEN COUNTY
COMMENTS

CAPITAL ASSETS

Condition and Context

Due to the lack of internal controls, the Township did not have a written capital asset policy that details the threshold at which an item is considered a capital asset. Additionally, the Township does not have a complete detailed listing of all capital assets owned by the Township. Lastly, a complete physical inventory of capital assets owned was not taken at least every two years by the Township.

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 Township, Chapter 1)

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. . . ."

PRESCRIBED FORMS

Condition and Context

Due to the lack of internal controls, the Township did not properly maintain the prescribed form Notice of Township Assistance Action (TA-1A) or the prescribed form Township Assistance Purchase Order (TA-2). During testing of Township Assistance disbursements, all six of the transactions presented were not on prescribed and approved forms.

YORK TOWNSHIP, STEUBEN COUNTY
COMMENTS
(Continued)

Criteria

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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:

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An integral part of the control activity component is segregation of duties. . . .

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POLICIES

Condition and Context

During testing, four of the six Township Assistance disbursements showed no evidence of an investigation or verification of the Township Assistance Application as per Township Assistance policy 1.00.03 Application Review.

Criteria

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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

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YORK TOWNSHIP, STEUBEN COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Township	\$ 8,605	\$ 19,047	\$ 16,527	\$ 11,125	\$ 18,399	\$ 16,992	\$ 12,532
Township Assistance	17,336	91	-	17,427	80	800	16,707
Fire Fighting	40,018	14,317	8,446	45,889	14,881	8,615	52,155
Rainy Day Fund	13,563	-	84	13,479	-	-	13,479
Totals	\$ 79,522	\$ 33,455	\$ 25,057	\$ 87,920	\$ 33,360	\$ 26,407	\$ 94,873

YORK TOWNSHIP, STEUBEN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Township	\$ 12,531	\$ 20,662	\$ 17,266	\$ 15,927	\$ 20,707	\$ 17,120	\$ 19,514
Township Assistance	16,706	10	300	16,416	8	700	15,724
Fire Fighting	52,154	15,454	8,701	58,907	15,540	13,261	61,186
Rainy Day Fund	13,479	-	-	13,479	-	211	13,268
Totals	<u>\$ 94,870</u>	<u>\$ 36,126</u>	<u>\$ 26,267</u>	<u>\$ 104,729</u>	<u>\$ 36,255</u>	<u>\$ 31,292</u>	<u>\$ 109,692</u>

YORK TOWNSHIP, STEUBEN COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Township	\$ 19,513	\$ 23,473	\$ 17,974	\$ 25,012
Township Assistance	15,724	219	500	15,443
Fire Fighting	61,186	15,978	9,725	67,439
Rainy Day Fund	13,268	-	400	12,868
Totals	<u>\$ 109,691</u>	<u>\$ 39,670</u>	<u>\$ 28,599</u>	<u>\$ 120,762</u>