

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

**Paul D. Joyce, CPA
State Examiner**

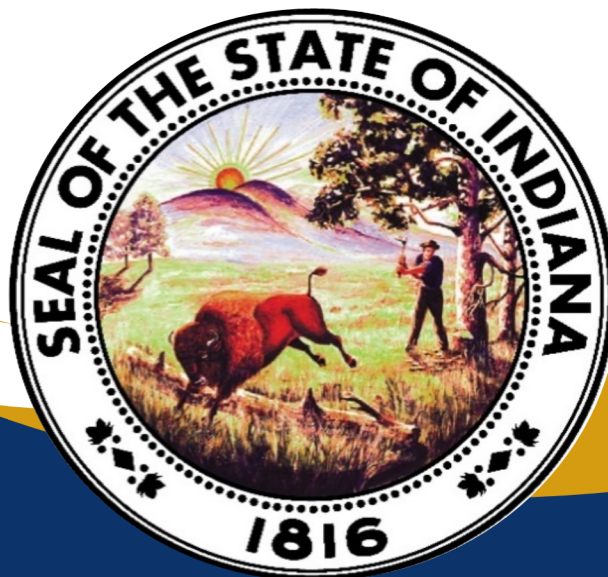
COMPLIANCE ENGAGEMENT REPORT

OF

ROSS TOWNSHIP

CLINTON COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
12/30/2024

Report reissued on February 6, 2025, to remove the comment entitled 'Timely Recording.'

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	James A. Harris	01-01-20 to 12-31-24
Chair of the Township Board	Michael J. Gochenour	01-01-20 to 12-31-24



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF ROSS TOWNSHIP, CLINTON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Ross Township (Township), for the period of January 1, 2020 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 James A. Harris, Trustee, and Michael J. Gochenour, Chair of the Township Board, on December 16, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

December 10, 2024

ROSS TOWNSHIP, CLINTON COUNTY
COMMENT

ADVANCE PAYMENTS

Condition and Context

Internal controls were not in place to ensure officials were not paid in advance of services rendered. Per the salary resolution, the Trustee and Township Board members are paid quarterly. We tested four quarterly payments for the Trustee's salary, and the salary was paid before services were rendered as follows:

- The first quarter of 2020 was paid on February 1, 2020.
- The first quarter of 2021 was paid on January 18, 2021.
- The second quarter of 2022 was paid on April 1, 2022.
- The first quarter of 2023 was paid on January 23, 2023.

Criteria

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

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. . . ."



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

ROSS TOWNSHIP, CLINTON 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	\$ 303,893	\$ 683	\$ 23,104	\$ 281,472	\$ 838	\$ 174,274	\$ 108,036
Township Assistance	9,622	39,391	19,276	29,737	39,688	19,955	49,470
Fire Fighting	97,232	30,390	35,939	91,683	64,785	32,833	123,635
Rainy Day	11,317	-	4,000	7,317	88,446	29,482	66,281
Cumulative Fire	47,083	35,080	40,000	42,163	23,471	-	65,634
Totals	\$ 469,147	\$ 105,544	\$ 122,319	\$ 452,372	\$ 217,228	\$ 256,544	\$ 413,056

ROSS TOWNSHIP, CLINTON 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	\$ 108,036	\$ 16,236	\$ 25,842	\$ 98,430	\$ 18,048	\$ 25,920	\$ 90,558
Township Assistance	49,470	38,305	19,932	67,843	9,958	18,663	59,138
Fire Fighting	123,635	-	32,833	90,802	-	33,202	57,600
Rainy Day	66,281	-	29,482	36,799	-	29,482	7,317
Cumulative Fire	65,634	45,015	11,447	99,202	23,673	-	122,875
Totals	<u>\$ 413,056</u>	<u>\$ 99,556</u>	<u>\$ 119,536</u>	<u>\$ 393,076</u>	<u>\$ 51,679</u>	<u>\$ 107,267</u>	<u>\$ 337,488</u>