



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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April 9, 2024

TO: THE OFFICIALS OF UNION TOWNSHIP, TIPPECANOE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Union Township (Township), Tippecanoe County, for the period of January 1, 2019 to December 31, 2022, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: www.gateway.ifionline.org.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Comments

SUPPORTING DOCUMENTATION

Condition and Context

The Township did not provide supporting documentation for 6 of 30 disbursements tested. The lack of supporting documentation prevented the determination of compliance as to whether the usage of those funds was limited to those authorized by enabling law, ordinance/resolution, or grant agreement. Additionally, the lack of supporting documentation prevented the determination of compliance as to whether the documents and entries to records were made in a timely manner and that the financial transactions pertaining to the unit were recorded in the records at the time of the transaction for 2 disbursements in which the Township could not provide a physical check.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination 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)

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. . . .

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.

The Schedule of Cash and Investment Balances - Regulatory Basis is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT
BALANCES - REGULATORY BASIS
As of December 31, 2022

Fund	Cash and Investments 12-31-22
Township	\$ 190,044
Township Assistance	21,378
Rainy Day	44,247
Levy Excess	1,811
Payroll Withholdings	1,680
Total	\$ 259,160

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Jo Ritchie, Trustee, on March 6, 2024.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner