



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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February 8, 2024

TO: THE OFFICIALS OF BRANDYWINE TOWNSHIP, HANCOCK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Brandywine Township (Township), Hancock 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 Gateway 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

DEBIT CARDS

The same comment appeared in a Management Letter addressed to the Officials of the Township for the review ending December 31, 2018.

Condition and Context

The Township had not provided a board-approved debit/procurement card policy.

Criteria

The SBOA will not take exception to the use of debit/procurement cards by a unit provided the following criteria are observed:

1. The governing body must authorize debit/procurement card use through an ordinance/resolution, which has been approved in a meeting and documented in the minutes.
2. Issuance and use must be handled by an official or employee designated by the governing body.

3. The purposes for which the debit/procurement card may be used must be specifically stated in the ordinance/resolution.
4. When the purpose for which the debit/procurement card has been issued has been accomplished, the card must be returned to the custody of the responsible person.
5. The designated responsible official or employee must maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the cards issued and returned.
6. Debit/procurement cards must not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing body and other officials with timely and accurate accounting information and monitoring of the accounting system.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

TRAVEL POLICY

The same comment appeared in a Management Letter addressed to the Officials of the Township for the review ending December 31, 2018.

Condition and Context

The Township had not adopted a board-approved travel policy.

Criteria

Each unit must adopt a written travel policy in conformity with applicable laws. Reimbursement for lodging and meals must be based upon actual receipts for amounts paid unless otherwise authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

ADOPTION OF, AND CERTIFICATION ON, INTERNAL CONTROL STANDARDS

A similar comment also appeared in prior Report B55340, entitled *ADOPTION OF AND TRAINING AND CERTIFICATION ON INTERNAL CONTROL STANDARDS*.

Condition and Context

The minimum level of internal control standards, as defined by the Indiana State Board of Accounts, had not been adopted by the Township.

The Trustee had incorrectly certified in 2019, 2020, 2021, and 2022 that the Township had adopted an internal control policy, when in fact, they had not adopted such policy.

Criteria

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."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial report 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](#)."

COMPENSATION AND BENEFITS

The same comment appeared in a Management Letter addressed to the Officials of the Township for the review ending December 31, 2018.

Condition and Context

The Township had not adopted a salary resolution from 2019-2022. The Township Board did approve the annual budgets for 2019-2022, which included salaries.

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)

ADVANCE PAYMENTS

A similar comment appeared in prior Reports B46469 and B55340, entitled *PAYMENTS IN ADVANCE*.

Condition and Context

The Township paid the clerk's salary twice a year in advance of the receipts of the services.

Criteria

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

APPROPRIATIONS

The same comment also appeared in prior Reports B46469 and B55340.

Condition and Context

The records presented for review indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
Township Fund	2019	\$ 3,210
Park and Recreation	2019	230
Township Assistance	2019	1,585
Fire Fighting	2019	42,316
Park and Recreation	2020	705
Fire Fighting	2020	3,288
Rainy Day Fund	2020	10,000
Fire Debt	2020	5,343
Park and Recreation	2021	175
Township Fund	2022	24,557
Fire Fighting	2022	31,904
Rainy Day Fund	2022	15,000

Criteria

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

MONTHLY AND ANNUAL UPLOADS

The same comment appeared in a Management Letter addressed to the Officials of the Township for the review ending December 31, 2018.

Condition and Context

The files and governmental unit information that are required to be uploaded monthly include the bank reconciliements, approved Township Board minutes, and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, and current year salary ordinance.

The Township had not complied with the State Examiner Directive and failed to upload all of the monthly and annual files on the Indiana Gateway for Government Units financial reporting system for 2019-2022.

Criteria

Beginning with July 2018 files, which will be due September 15, 2018, **all** cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

All counties, cities, towns, townships, libraries, schools and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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
For the Year Ended December 31, 2022

Fund	Cash and Investments 12-31-22
Township	\$ 16,597
Park And Recreation	2,708
Township Assistance	46,677
Fire Fighting	39,630
Rainy Day Fund	119,627
LOIT Special Distribution	10,654
Fire Debt	<u>9,543</u>
Total	<u>\$ 245,436</u>

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

The contents of this report were communicated to Kevin Bates, Trustee; Cherie Burrow, Secretary of Township Advisory Board; and Danielle Metz-Lancaster, Deputy Trustee, on January 23, 2024.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner