

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

WARREN TOWNSHIP

CLINTON COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**

01/15/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Larry Miller	01-01-20 to 12-31-24
Chair of the Township Board	Phillip Carter	01-01-20 to 12-31-24



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State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Warren 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 Larry Miller, Trustee; Melissa Miller, Township Clerk; and Phillip Carter, Chair of the Township Board, on December 19, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

November 12, 2024

WARREN TOWNSHIP, CLINTON COUNTY  
COMMENTS

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

Internal controls were not in place to ensure compliance with requirements related to the Annual Financial Report (AFR). Financial and other information are required to be entered annually into the AFR via the Indiana Gateway for Government Units financial reporting system. The beginning balance for the Profit Cemetery Restoration Fund and Payroll Deductions fund for 2022 did not agree to the 2021 ending balances reported in the AFR for these funds.

*Criteria*

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. . . ."

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 as set forth in the uniform compliance guidelines. 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](#)."

WARREN TOWNSHIP, CLINTON COUNTY  
COMMENTS  
(Continued)

**BOARD MINUTES**

A similar comment appeared in a Management Letter addressed to the Trustee and Township Board for the engagement period ending December 31, 2019.

*Condition and Context*

Internal controls were not in place to ensure compliance with statute regarding reorganization of the legislative body of the Township, which is the Township Board. The Township Board did not organize and/or document organization each year during the engagement period.

*Criteria*

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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Indiana Code 36-6-6-7 states:

"(a) The legislative body shall meet at the office of the executive on the first Tuesday after the first Monday in January of each year. At this meeting the legislative body shall elect one (1) member as chair for that year and one (1) member as secretary for that year.

(b) If a newly elected legislative body holds a special meeting before the first Tuesday after the first Monday in the January following its election, it shall elect a chair and a secretary before conducting any other business. The chair and secretary elected at the special meeting retain those positions until the first Tuesday after the first Monday in January of the year following the special meeting."

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

WARREN 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 FUND	\$ 97,933	\$ 31,792	\$ 41,481	\$ 88,244	\$ 36,189	\$ 22,905	\$ 101,528
TOWNSHIP ASSISTANCE	31,941	2,262	2,662	31,541	515	1,000	31,056
RAINY DAY FUND	5,307	-	-	5,307	-	-	5,307
Profit Cemetery Restoration Fund	2,096	-	-	2,096	-	-	2,096
PAYROLL DEDUCTIONS	-	-	-	-	-	2,397	(2,397)
PROFIT CEMETERY RESTORATION FUND	-	-	-	-	-	-	-
<b>Totals</b>	<u>\$ 137,277</u>	<u>\$ 34,054</u>	<u>\$ 44,143</u>	<u>\$ 127,188</u>	<u>\$ 36,704</u>	<u>\$ 26,302</u>	<u>\$ 137,590</u>

WARREN 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 FUND	\$ 101,528	\$ 34,382	\$ 31,663	\$ 104,247	\$ 31,930	\$ 25,567	\$ 110,610
TOWNSHIP ASSISTANCE	31,056	4,600	3,599	32,057	2,604	-	34,661
RAINY DAY FUND	5,307	-	-	5,307	-	-	5,307
PAYROLL DEDUCTIONS	(2,397)	2,111	1,715	(2,001)	3,173	3,173	(2,001)
PROFIT CEMETERY RESTORATION FUND	2,096	-	-	2,096	-	-	2,096
Totals	<u>\$ 137,590</u>	<u>\$ 41,093</u>	<u>\$ 36,977</u>	<u>\$ 141,706</u>	<u>\$ 37,707</u>	<u>\$ 28,740</u>	<u>\$ 150,673</u>