

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

COMPLIANCE ENGAGEMENT REPORT

OF

WASHINGTON TOWNSHIP

MORGAN COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED

10/30/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Douglas M. Henselmeier Kathy Taylor	01-01-19 to 10-26-21 10-27-21 to 12-31-24
Chair of the Township Board	Bob Bolin Tammy Parker Mae Cooper	01-01-19 to 01-31-20 02-01-20 to 12-31-22 01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, MORGAN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Washington 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 Kathy Taylor, Trustee; Melissa Manley, Township Clerk; and Mae Cooper, Chair of the Township Board, on October 10, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

September 30, 2024

WASHINGTON TOWNSHIP, MORGAN COUNTY
COMMENTS

INTERNAL CONTROLS

Condition and Context

Internal controls were not in place to ensure the Township complied with laws, regulations, and Guidelines over Township Assistance Standards as detailed further in the comment below.

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. . . ."

TOWNSHIP ASSISTANCE STANDARDS

A similar comment also appeared in prior Report B48702, and a Management Letter addressed to the Officials of the Township on June 23, 2020.

Condition and Context

Records presented for examination show that Township Assistance Standards were updated and approved in 2015 and were used for Township Assistance throughout the engagement period. Records did not indicate that the standards were reviewed and updated annually. In addition, the Board of County Commissioner's office did not have a copy of the standards filed as required.

WASHINGTON TOWNSHIP, MORGAN COUNTY
COMMENTS
(Continued)

Criteria

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed.

(c) The township trustee shall annually certify that the uniform written standards for the issuance of township assistance have been filed with the board of county commissioners as required under subsections (b)(2). The certification shall be noted in the township's budget submitted to the department of local government finance's computer gateway under [IC 6-1.1-17-3](#)."

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

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WASHINGTON TOWNSHIP, MORGAN 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			Cash and Investments			Cash and Investments
	01-01-19	Receipts	Disbursements	12-31-19	Receipts	Disbursements	
Township Fund	\$ 1,341,948	\$ 227,509	\$ 71,522	\$ 1,497,935	\$ 230,721	\$ 65,601	\$ 1,663,055
Township Assistance	266,633	825	64,743	202,715	-	47,437	155,278
Fire Fighting Fund	988,587	919,242	669,701	1,238,128	988,966	712,839	1,514,255
Rainy Day Fund	277,202	-	-	277,202	-	177,000	100,202
Cumulative FD Building & Equipment Fund	45,914	58,897	59,965	44,846	221,140	222,144	43,842
Fire Equipment Debt Fund	595	102	-	697	-	-	697
Emergency Fire Loan	-	-	-	-	-	-	-
Payroll Deduction Fund	335	123,009	121,530	1,814	125,568	122,898	4,484
Cares Fund	-	-	-	-	-	8,073	(8,073)
Totals	<u>\$ 2,921,214</u>	<u>\$ 1,329,584</u>	<u>\$ 987,461</u>	<u>\$ 3,263,337</u>	<u>\$ 1,566,395</u>	<u>\$ 1,355,992</u>	<u>\$ 3,473,740</u>

WASHINGTON TOWNSHIP, MORGAN 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 Fund	\$ 1,663,054	\$ 247,406	\$ 79,775	\$ 1,830,685	\$ 192,134	\$ 82,358	\$ 1,940,461
Township Assistance	155,279	-	49,935	105,344	59,283	69,417	95,210
Fire Fighting Fund	1,514,254	854,372	1,057,326	1,311,300	1,041,859	836,473	1,516,686
Rainy Day Fund	100,202	-	-	100,202	-	-	100,202
Cumulative FD Building & Equipment Fund	43,842	227,300	57,322	213,820	67,350	77,325	203,845
Fire Equipment Debt Fund	697	-	-	697	-	-	697
Emergency Fire Loan	-	-	-	-	-	-	-
Payroll Deduction Fund	4,484	196,421	194,486	6,419	152,122	152,494	6,047
Cares Fund	(8,073)	-	-	(8,073)	-	-	(8,073)
Totals	<u>\$ 3,473,739</u>	<u>\$ 1,525,499</u>	<u>\$ 1,438,844</u>	<u>\$ 3,560,394</u>	<u>\$ 1,512,748</u>	<u>\$ 1,218,067</u>	<u>\$ 3,855,075</u>

WASHINGTON TOWNSHIP, MORGAN 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 Fund	\$ 1,940,462	\$ 990,038	\$ 584,818	\$ 2,345,682
Township Assistance	95,210	32,748	63,392	64,566
Fire Fighting Fund	1,516,686	370,073	1,197,327	689,432
Rainy Day Fund	100,202	-	27,622	72,580
Cumulative FD Building & Equipment Fund	203,845	46,304	99,999	150,150
Fire Equipment Debt Fund	697	-	-	697
Payroll Deduction Fund	6,046	175,089	173,118	8,017
Cares Fund	(8,073)	-	-	(8,073)
Totals	<u>\$ 3,855,075</u>	<u>\$ 1,614,252</u>	<u>\$ 2,146,276</u>	<u>\$ 3,323,051</u>