

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

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

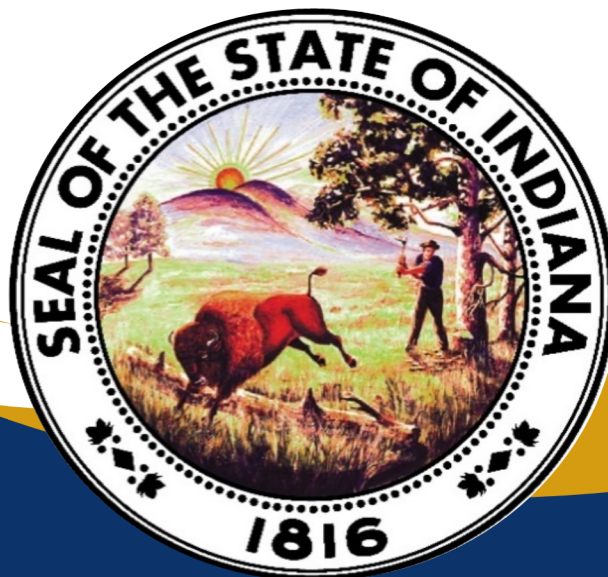
COMPLIANCE ENGAGEMENT REPORT

OF

GILL TOWNSHIP

SULLIVAN COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
12/20/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Linda K. Land	01-01-20 to 12-31-24
Chair of the Township Board	Karen Charley	01-01-20 to 12-31-22
	Donna Adams	01-01-23 to 12-31-23
	Karen Charley	01-01-24 to 12-31-24



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF GILL TOWNSHIP, SULLIVAN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Gill 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 Linda K. Land, Trustee, and Claudia Hancock, Township Board member, on November 25, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

November 13, 2024

GILL TOWNSHIP, SULLIVAN COUNTY
COMMENTS

ADVANCE PAYMENTS

Condition and Context

The Township did not have a proper system of internal controls in place to ensure salary payments are not paid in advance of services rendered.

The Township paid the Clerk's and Trustee's salary monthly in advance of services rendered each year of the engagement period.

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)

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

Condition and Context

The Township did not have a proper system of internal controls in place to ensure proper documentation is maintained to support the Township Assistance disbursements.

A sample of 20 Township Assistance disbursements were selected for testing. There was no documentation to support an investigation of the Township Assistance applications (TA-1). Additionally, there were two instances where supporting documentation was not provided to support the disbursement of township assistance. There were eight instances where applications were reused from prior assistance instead of requiring new applications to be completed.

GILL TOWNSHIP, SULLIVAN COUNTY
COMMENTS
(Continued)

Criteria

Indiana Code 12-20-6-1 states in part:

"(a) A township trustee may not extend aid to an individual or a household unless an application and affidavit setting forth the personal condition of the individual or household has been filed with the trustee within one hundred eighty (180) days before the aid is extended.

(b) An individual filing an application and affidavit on behalf of household must provide the names of all household members and any information necessary for determining the household's eligibility for township assistance. The application must be on the form prescribed by the state board of accounts. . . ."

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](#)."

Immediately after any action is taken upon a completed township assistance application or, in the case of termination or reduction of existing benefits, before action is taken, a "Notice of Township Assistance Action" form shall be delivered to the applicant or recipient in person or by first class United States mail at said person's last known address. A copy of each completed "Notice" shall be filed with the applicant's application in the trustee's office. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 3)

GILL TOWNSHIP, SULLIVAN COUNTY
COMMENTS
(Continued)

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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

GILL TOWNSHIP, SULLIVAN 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	\$ 68,596	\$ 47,390	\$ 40,318	\$ 75,668	\$ 50,756	\$ 41,118	\$ 85,306
Park And Recreation	512	5,449	5,901	60	6,127	6,000	187
Township Assistance	16,656	9,537	8,531	17,662	10,391	7,360	20,693
Fire Fighting	46,895	34,714	28,496	53,113	36,845	28,308	61,650
Rainy Day	27,800	-	-	27,800	-	-	27,800
Levy Excess	1,918	1,221	1,918	1,221	162	1,221	162
Cumulative Fire	202,853	63,163	60,293	205,723	61,778	57,628	209,873
Totals	<u>\$ 365,230</u>	<u>\$ 161,474</u>	<u>\$ 145,457</u>	<u>\$ 381,247</u>	<u>\$ 166,059</u>	<u>\$ 141,635</u>	<u>\$ 405,671</u>

GILL TOWNSHIP, SULLIVAN 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	\$ 85,306	\$ 53,280	\$ 40,356	\$ 98,230	\$ 60,939	\$ 45,766	\$ 113,403
Park And Recreation	188	6,147	6,031	304	6,016	6,000	320
Township Assistance	20,693	10,156	6,579	24,270	6,016	4,154	26,132
Fire Fighting	61,649	38,034	28,559	71,124	39,884	28,281	82,727
Rainy Day	27,800	-	-	27,800	-	2,589	25,211
Levy Excess	162	1,067	162	1,067	425	1,067	425
Cumulative Fire	<u>209,873</u>	<u>61,963</u>	<u>152,570</u>	<u>119,266</u>	<u>66,394</u>	<u>96,956</u>	<u>88,704</u>
Totals	<u>\$ 405,671</u>	<u>\$ 170,647</u>	<u>\$ 234,257</u>	<u>\$ 342,061</u>	<u>\$ 179,674</u>	<u>\$ 184,813</u>	<u>\$ 336,922</u>