

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

GREENE TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**

04/16/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert Conyers	01-01-19 to 12-31-25
Chair of the Township Board	Alex Nocton	01-01-19 to 12-31-25



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State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF GREENE TOWNSHIP, WAYNE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Greene 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 is informational only. The Statements of Receipts, Disbursements, and Schedule of Cash and Investment Balances - Regulatory Basis have not been included in this report due to the issues detailed in the comments below.

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 Robert Conyers, Trustee, on March 20, 2025.

Beth Kelley, CPA, CFE  
Deputy State Examiner

January 13, 2025

GREENE TOWNSHIP, WAYNE COUNTY  
COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

There were deficiencies in the internal control system of the Township related to compliance in the following comments:

- Annual Financial Report
- Late Submission of Annual Financial Report
- Bank Account Reconciliations
- Condition of Records
- Funds Sources and Uses
- Monthly and Annual Uploads
- Adoption of Internal Control Standards
- Training on Internal Controls
- Certification on Internal Controls
- Appropriations
- Annual Report Abstract Not Published

*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. . . ."

GREENE TOWNSHIP, WAYNE COUNTY  
COMMENTS  
(Continued)

**ANNUAL FINANCIAL REPORT**

A similar comment appeared in prior Report B56045, entitled *ANNUAL FINANCIAL REPORT*.

*Condition and Context*

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units (Gateway) financial reporting system, which is the source of the Township's Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis. The Township had not established effective internal controls over the information submitted in the AFR, which resulted in the following errors in what was uploaded in Gateway in 2019, 2020, 2021, 2022, and 2023 as determined by the proof of cash performed for purposes of the engagement.

*Financial Statements - Receipts and Disbursements*

- In 2019, the CVET distributions were improperly posted causing the Township fund receipts to be overstated by \$313 and the Township Assistance fund, the Fire Fighting fund, and the Cumulative Fire fund receipts to be understated by \$130, \$164, and \$20, respectively.
- In 2019, the Township Assistance fund was understated by \$8.
- In 2020, the CVET distributions were improperly posted causing the Township fund receipts to be overstated by \$298 and the Township Assistance fund, the Fire Fighting fund, and the Cumulative Fire fund receipts were understated by \$123, \$156, and \$19, respectively, and property taxes were improperly posted causing the Township fund receipts to be overstated by \$34,709, and the Township Assistance fund, the Fire Fighting fund, and Cumulative Fire fund receipts were understated by \$4,004, \$27,346, and \$3,405, respectively.
- In 2021, the CVET distributions were not posted to the ledger causing receipts to be understated in the Township Assistance fund, the Fire Fighting fund, and the Cumulative Fire fund by \$246, \$320 and \$38, respectively. Incorrect amounts were entered into Gateway causing the Township fund to be understated by \$913.
- In 2022, local distributions were not posted properly to the ledger causing receipts to be overstated for the Township fund by \$3,492 and the Fire Fighting fund by \$11,682 and understated in the Township Assistance fund and the Cumulative Fire fund by \$8,226 and \$6,681, respectively.
- In 2023, numerous errors were made in posting to the ledger which caused receipts to be understated for the Township fund, the Township Assistance fund, and the Cumulative Fire fund by \$5,981, \$2,334, and \$1,382, respectively. The Fire Fighting fund was overstated by \$4,787.
- In 2021, posting errors caused the Township fund disbursements to be understated by \$703 and the Township Assistance fund and the Fire Fighting fund to be overstated by \$648 and \$487, respectively.

GREENE TOWNSHIP, WAYNE COUNTY  
COMMENTS  
(Continued)

- In 2022, posting errors caused the Township fund and the Fire Fighting fund disbursements to be overstated by \$5 and \$859, respectively.
- In 2023, the Township fund disbursements were understated by \$50.

*Criteria*

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](#)."

**LATE SUBMISSION OF ANNUAL FINANCIAL REPORT**

The same comment also appeared in prior Report B56045, entitled *ANNUAL FINANCIAL REPORT*.

*Condition and Context*

The Township filed its 2019, 2020, 2021, 2022, and 2023 Annual Financial Reports (AFR) after the due date of not later than sixty (60) days after the close of each fiscal year. The Township's fiscal year end is December 31. The Township filed its AFRs as shown in the table below.

<u>Fiscal Year</u>	<u>Date Filed</u>	<u>Number of Days Passed Due Date</u>
2019	07-31-20	151
2020	04-10-21	40
2021	03-16-22	15
2022	03-22-23	21
2023	03-11-24	11

*Criteria*

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](#)."

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

GREENE TOWNSHIP, WAYNE COUNTY  
 COMMENTS  
 (Continued)

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

Bank account reconciliations were not prepared during the engagement period, and thus, there was no reconciliation of bank balances to ledger balances and often ledger balances were just changed to bank balances without consideration of any outstanding items or the existence of any bank errors or posting errors in the Township ledgers.

*Criteria*

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**CONDITION OF RECORDS**

*Condition and Context*

The Township's total funds column in the ledger did not agree to the total of the individual funds columns. A comparison of monthly bank transactions to transactions posted in the ledgers was performed for purpose of the engagement and it noted there were mathematical errors as well as ending balances in the totals column were changed to match bank reconciliations. End of the fiscal years' cash and investment balances were recalculated using the balance of the funds as of January 1, 2019, and the monthly bank transactions and compared to the amounts reported in the Annual Financial Report (AFR). The following table shows the differences noted in the recalculated cash and investment balances and those reported in the AFR.

Fiscal Year	End of Fiscal Year Cash and Investment Balance		
	Recalculated	Per AFR	Difference
2019	\$ 318,495	\$ 318,498	\$ (3)
2020	317,400	317,353	47
2021	320,621	316,595	4,026
2022	356,789	352,166	4,623
2023	386,957	381,699	5,258

*Criteria*

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships Chapter 1)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

GREENE TOWNSHIP, WAYNE COUNTY  
COMMENTS  
(Continued)

**FUND SOURCES AND USES**

*Condition and Context*

For all five years, local tax distributions were improperly posted to the funds as noted in the Annual Financial Report comment.

*Criteria*

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**MONTHLY AND ANNUAL UPLOADS**

A similar comment also appeared in prior Report B56045, entitled *MONTHLY ENGAGEMENT UPLOADS*.

*Condition and Context*

The files and governmental unit information that are required to be uploaded monthly into the Indiana Gateway for Government Units (Gateway) financial reporting system, include the bank reconciliations, 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, current year salary ordinance, and an annual vendor history report.

The Township did not comply with the State Examiner Directive and did not properly upload all of the monthly and annual files into Gateway for 2019, 2020, 2021, 2022, and 2023.

*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)

GREENE TOWNSHIP, WAYNE COUNTY  
COMMENTS  
(Continued)

**ADOPTION OF INTERNAL CONTROL STANDARDS**

A similar comment also appeared in prior Report B56045, entitled *ADOPTION OF AND TRAINING ON INTERNAL CONTROL STANDARDS*.

*Condition and Context*

The Township had not adopted the acceptable minimum level of internal control standards as established by the Indiana State Board of Accounts.

*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."

**TRAINING ON INTERNAL CONTROL STANDARDS**

A similar comment also appeared in prior Report B56045, entitled *ADOPTION OF AND TRAINING ON INTERNAL CONTROL STANDARDS*.

*Condition and Context*

The Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township are required to receive training over internal control standards that were developed or approved by the Indiana State Board of Accounts. Training certifications over internal control standards developed and approved by the Indiana State Board of Accounts were not provided for review; therefore, it could not be determined that training had been completed.

*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."

GREENE TOWNSHIP, WAYNE COUNTY  
COMMENTS  
(Continued)

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B56045.

*Condition and Context*

The Township certified in the Annual Financial Report that the adoption of, and training on, internal control standards had been performed. The certification was made incorrectly for all years during the engagement period.

*Criteria*

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](#)."

**APPROPRIATIONS**

A similar comment appeared in prior Report B56045, entitled *APPROPRIATIONS*.

*Condition and Context*

The following funds had disbursements in excess of budgeted appropriations for the amounts shown below:

Fund	Years	Excess Amount Expended
Township	2019	\$ 556
Fire Fighting	2020	25,829
Township	2021	3,283
Township	2023	222

*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."

**ANNUAL REPORT ABSTRACT NOT PUBLISHED**

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

GREENE TOWNSHIP, WAYNE COUNTY  
COMMENTS  
(Continued)

*Condition and Context*

None of the abstract reports were published in accordance with Indiana Code 36-6-4-13 during the period 2019 to 2023.

*Criteria*

Indiana Code 36-6-4-13(b) states in part: "Within four (4) weeks after the third Tuesday following the first Monday in February, the executive shall publish the portion of the abstract prescribed by subsection (a)(1) through (a)(4) in accordance with [IC 5-3-1](#) . . ."