

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

WABASH TOWNSHIP

PARKE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

04/04/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Debbie Barnett (Vacant)	01-01-20 to 12-31-24 01-01-25 to 12-31-25
Chair of the Township Board	Mikel Lewman Austin Swaim Chance Hoover	01-01-20 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 12-31-25



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TO: THE OFFICIALS OF WABASH TOWNSHIP, PARKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Wabash 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 Debbie Barnett, former Trustee, and Chance Hoover, Chair of the Township Board, on January 7, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

December 3, 2024

WABASH TOWNSHIP, PARKE COUNTY
COMMENTS

INTERNAL CONTROLS

Condition and Context

A lack of internal controls led to noncompliance with requirements related to:

- Advance Payments
- Township Assistance

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. . . ."

ADVANCE PAYMENTS

Condition and Context

Payments were made in advance for the mowing of Hixon Cemetery in 2020 and 2021. In 2020, the contract for the entire upcoming mowing season was paid on April 17th, and, in 2021, the contract was paid on January 19th for the entire upcoming mowing season.

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)

TOWNSHIP ASSISTANCE

Condition and Context

For 10 of 10 Township Assistance payments tested, a Notice of Township Assistance Action (TA-1A) form was not presented for review.

WABASH TOWNSHIP, PARKE COUNTY
COMMENTS
(Continued)

Additionally, 1 of the 10 Township Assistance applications tested did not show evidence of investigation.

Criteria

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)

Indiana Code 12-20-6-9 states:

"If an application for township assistance is made to the township trustee as administrator of township assistance, the township trustee, as administrator of township assistance, shall carefully investigate the circumstances of the applicant and each member of the applicant's household to ascertain the following:

- (1) Legal residence.
- (2) Names and ages.
- (3) Physical condition relating to sickness or health.
- (4) Present and previous occupation.
- (5) Ability and capacity to perform labor.
- (6) The cause of the applicant's or household member's condition if the applicant or household member is found to be in need and the cause can be ascertained.
- (7) Whether the applicant or a member of the applicant's household is entitled to income in the immediate future from any source, including the following:
 - (A) Past or present employment.
 - (B) A pending claim or cause of action that may result in a monetary award being received by any member of the applicant's household claiming to be in need.
 - (C) A pending determination for assistance from any other federal or state governmental entity.
- (8) The family relationships of the township assistance applicant.
- (9) Whether the township assistance applicant or members of the applicant's household have relatives able and willing to assist the applicant or a member of the applicant's household."

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)

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

WABASH TOWNSHIP, PARKE 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	\$ 16,572	\$ 16,749	\$ 16,970	\$ 16,351	\$ 21,725	\$ 13,623	\$ 24,453
Township Assistance	15,585	-	133	15,452	-	479	14,973
Fire Fighting	31,767	23,933	35,000	20,700	22,005	30,000	12,705
Rainy Day	3,161	-	-	3,161	-	-	3,161
Totals	<u>\$ 67,085</u>	<u>\$ 40,682</u>	<u>\$ 52,103</u>	<u>\$ 55,664</u>	<u>\$ 43,730</u>	<u>\$ 44,102</u>	<u>\$ 55,292</u>

WABASH TOWNSHIP, PARKE 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	\$ 24,453	\$ 23,812	\$ 14,767	\$ 33,498	\$ 20,701	\$ 17,413	\$ 36,786
Township Assistance	14,973	-	606	14,367	-	2,075	12,292
Fire Fighting	12,705	25,015	30,000	7,720	23,647	30,000	1,367
Rainy Day	3,161	-	100	3,061	-	-	3,061
Totals	<u>\$ 55,292</u>	<u>\$ 48,827</u>	<u>\$ 45,473</u>	<u>\$ 58,646</u>	<u>\$ 44,348</u>	<u>\$ 49,488</u>	<u>\$ 53,506</u>