

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

COMPLIANCE ENGAGEMENT REPORT

OF

JACKSON TOWNSHIP

GREENE COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
10/03/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Seth Wagner	01-01-20 to 12-31-24
Chair of the Township Board	Billy A. Combs	01-01-20 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Jackson 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 Seth Wagner, Trustee, and Martha Miller, Township Board member, on September 19, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

August 14, 2024

JACKSON TOWNSHIP, GREENE COUNTY
COMMENTS

INTERNAL CONTROLS

Condition and Context

The following areas did not have proper internal controls in place to ensure compliance with laws, regulations, and Guidelines:

- Advance Payments
- Prescribed Forms
- Supporting Documentation

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 the 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 components 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

In five of five payrolls tested during 2020, 2021, 2022, and 2023, compensation was paid to the Trustee at the beginning of the months of June and December, in advance of the actual date services were received.

JACKSON TOWNSHIP, GREENE COUNTY
COMMENTS
(Continued)

Criteria

Indiana Code 5-7-3-1(a) states: "Public officers may not draw or receive their salaries in advance."

PRESCRIBED FORMS

Condition and Context

Internal controls were not in place to ensure required forms prescribed by the Indiana State Board of Accounts were in use. Of the 20 township assistance applications tested, we noted the following:

- All 20 Township Assistance disbursements tested did not have a TA-1A - Notice of Township Assistance Action.
- All 20 Township Assistance disbursements tested did not have a TA-2 - Township Assistance Purchase Order.

Criteria

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)

SUPPORTING DOCUMENTATION

Condition and Context

Out of 20 disbursements, 4 did not have supporting documentation. These claims totaled \$11,018.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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

JACKSON TOWNSHIP, GREENE 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	\$ 115,121	\$ 28,090	\$ 23,545	\$ 119,666	\$ 28,413	\$ 35,282	\$ 112,797
Parks and Recreation	38,869	10,056	4,225	44,700	10,941	10,353	45,288
Township Assistance	19,730	8,534	3,279	24,985	8,581	3,295	30,271
Fire Fighting Fund	16	-	-	16	2,550	-	2,566
Rainy Day Fund	20,415	-	15,547	4,868	-	-	4,868
Cumulative Fire	2	-	-	2	-	-	2
Payroll Deductions	967	2,242	3,209	-	2,242	1,121	1,121
Howell Cemetery	10	-	-	10	-	-	10
Thomasson Hall	4,536	680	-	5,216	1,075	60	6,231
Totals	<u>\$ 199,666</u>	<u>\$ 49,602</u>	<u>\$ 49,805</u>	<u>\$ 199,463</u>	<u>\$ 53,802</u>	<u>\$ 50,111</u>	<u>\$ 203,154</u>

JACKSON TOWNSHIP, GREENE 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			Cash and Investments			Cash and Investments
	01-01-22	Receipts	Disbursements	12-31-22	Receipts	Disbursements	
Township Fund	\$ 112,798	\$ 65,375	\$ 24,517	\$ 153,656	\$ 70,441	\$ 48,796	\$ 175,301
Parks and Recreation	45,289	10,635	7,829	48,095	11,975	5,883	54,187
Township Assistance	30,268	8,321	2,475	36,114	9,721	3,993	41,842
Fire Fighting Fund	2,566	-	-	2,566	-	-	2,566
Rainy Day Fund	4,869	-	-	4,869	-	-	4,869
Cumulative Fire	2	-	-	2	-	-	2
Payroll Deductions	1,121	2,635	2,400	1,356	2,635	3,171	820
Howell Cemetery	10	-	-	10	-	-	10
Thomasson Hall	6,231	1,629	-	7,860	2,141	-	10,001
Totals	<u>\$ 203,154</u>	<u>\$ 88,595</u>	<u>\$ 37,221</u>	<u>\$ 254,528</u>	<u>\$ 96,913</u>	<u>\$ 61,843</u>	<u>\$ 289,598</u>