

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

COMPLIANCE ENGAGEMENT REPORT

OF

RIPLEY TOWNSHIP

MONTGOMERY COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**

10/29/2024



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Compliance Report .....	3-4
Comments .....	5-8
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	11-13

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Jamie M. Selby	01-01-19 to 12-31-24
Chair of the Township Board	Dennis Groh	01-01-19 to 12-31-20
	Andrew Barclay	01-01-21 to 12-31-22
	Greg Ruthledge	01-01-23 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF RIPLEY TOWNSHIP, MONTGOMERY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Ripley 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 Jamie M. Selby, Trustee, on October 3, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 22, 2024

RIPLEY TOWNSHIP, MONTGOMERY COUNTY  
COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

Internal controls were not in place to ensure the Township complied with laws, regulations, and Guidelines over training on internal control standards, certification on internal control standards, annual nepotism certification, annual contracting certification, board reorganization meetings, and monthly engagement uploads as detailed further in the comments 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. . . ."

**TRAINING ON INTERNAL CONTROL STANDARDS**

A similar comment also appeared in prior Report B55937, entitled *ADOPTION OF AND TRAINING ON INTERNAL CONTROL STANDARDS*.

*Condition and Context*

Documentation showing Township employees, whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, had received training over internal control standards that was developed or approved by the Indiana State Board of Accounts was not provided.

*Criteria*

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

RIPLEY TOWNSHIP, MONTGOMERY COUNTY  
COMMENTS  
(Continued)

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

A similar comment also appeared in prior Report B55937, entitled *CERTIFICATION ON INTERNAL CONTROL STANDARDS*.

*Condition and Context*

The Township certified on the Indiana Gateway for Government Units financial reporting system that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Township; however, during the engagement, the Township could not provide documentation showing all personnel had received training concerning the internal control standards.

*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](#)."

**ANNUAL NEPOTISM CERTIFICATION**

The same comment also appeared in prior Report B48862 and a Management Letter addressed to the Trustee on September 4, 2020.

*Condition and Context*

The Township did not provide evidence to verify that the elected officials filed an annual certification of compliance with the nepotism law with the Trustee for 2019, 2020, 2021, 2022, and 2023.

*Criteria*

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**ANNUAL CONTRACTING CERTIFICATION**

The same comment also appeared in prior Report B48862 and a Management Letter addressed to the Trustee on September 4, 2020.

*Condition and Context*

The Township did not provide evidence that each elected officer certified in writing that the officer had not violated Indiana Code 36-1-21 (Contracting with a Unit) by December 31, 2019, 2020, 2021, 2022, and 2023.

RIPLEY TOWNSHIP, MONTGOMERY COUNTY  
COMMENTS  
(Continued)

*Criteria*

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**BOARD REORGANIZATION MEETINGS**

A similar comment also appeared in prior Report B55937, entitled *TOWNSHIP BOARD MINUTES MISSING*.

*Condition and Context*

The Township Board is required to meet by law on the first Tuesday after the first Monday in January of each year to elect one member as Chair of the Township Board and one member as Secretary. During our engagement period, we did not see this meeting take place in any year of the engagement period.

*Criteria*

Indiana Code 36-6-6-7 states:

"(a) The legislative body shall meet at the office of the executive on the first Tuesday after the first Monday in January of each year. At this meeting the legislative body shall elect one (1) member as chair for that year and one (1) member as secretary for that year.

(b) If a newly elected legislative body holds a special meeting before the first Tuesday after the first Monday in the January following its election, it shall elect a chair and a secretary before conducting any other business. The chair and secretary elected at the special meeting retain those positions until the first Tuesday after the first Monday in January of the year following the special meeting."

**MONTHLY ENGAGEMENT UPLOADS**

A similar comment also appeared in a Management Letter addressed to the Trustee on September 4, 2020, entitled *MONTHLY AND ANNUAL ENGAGEMENT UPLOADS*.

*Condition and Context*

The Township had not uploaded all required monthly engagement uploads for 2019, 2020, 2021, 2022, and 2023 into the Indiana Gateway for Government Units financial reporting system as required by Amended State Examiner Directive 2018-1. As part of the monthly uploads, the Township is required to upload bank reconcilements, bank statements, and outstanding check lists, as well as Township Board minutes. The Township did not upload a bank reconciliation or a bank statement in each month. The Township only uploaded an outstanding check list in each month. Also, the Township did not upload any Township Board minutes during the engagement period.

RIPLEY TOWNSHIP, MONTGOMERY COUNTY  
COMMENTS  
(Continued)

*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)

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

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RIPLEY TOWNSHIP, MONTGOMERY 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 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Township	\$ 51,918	\$ 35,143	\$ 22,092	\$ 64,969	\$ 38,062	\$ 25,104	\$ 77,927
Township Assistance	63,114	5,474	790	67,798	5,486	-	73,284
Fire Fighting	40,879	49,591	30,400	60,070	54,767	30,200	84,637
Rainy Day	22,941	3,700	-	26,641	7,684	-	34,325
Cumulative Fire	21,038	-	-	21,038	-	-	21,038
GIFTS & DONATIONS	1,711	-	-	1,711	-	-	1,711
FIRE EQUIP DEBT	3,338	50,246	46,262	7,322	17,810	23,131	2,001
Payroll	-	640	640	-	-	-	-
Payroll	-	-	-	-	621	621	-
Totals	<u>\$ 204,939</u>	<u>\$ 144,794</u>	<u>\$ 100,184</u>	<u>\$ 249,549</u>	<u>\$ 124,430</u>	<u>\$ 79,056</u>	<u>\$ 294,923</u>

RIPLEY TOWNSHIP, MONTGOMERY 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	\$ 77,929	\$ 44,255	\$ 25,292	\$ 96,892	\$ 49,809	\$ 23,119	\$ 123,582
Township Assistance	73,284	5,632	-	78,916	5,637	-	84,553
Fire Fighting	84,637	59,019	30,200	113,456	63,735	30,200	146,991
Rainy Day	34,325	5,121	-	39,446	5,259	-	44,705
Cumulative Fire	21,038	20,411	-	41,449	20,221	-	61,670
GIFTS & DONATIONS	1,711	-	-	1,711	-	-	1,711
FIRE EQUIP DEBT	2,002	141	-	2,143	66,287	-	68,430
Payroll	-	643	643	-	-	-	-
Payroll	-	-	-	-	643	643	-
Totals	<u>\$ 294,926</u>	<u>\$ 135,222</u>	<u>\$ 56,135</u>	<u>\$ 374,013</u>	<u>\$ 211,591</u>	<u>\$ 53,962</u>	<u>\$ 531,642</u>

RIPLEY TOWNSHIP, MONTGOMERY 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	\$ 123,582	\$ 84,481	\$ 25,433	\$ 182,630
Township Assistance	84,553	5,734	8	90,279
Fire Fighting	146,992	37,100	30,000	154,092
Rainy Day	44,705	5,485	-	50,190
Cumulative Fire	61,672	24,008	-	85,680
GIFTS & DONATIONS	1,711	-	-	1,711
FIRE EQUIP DEBT	68,431	53,042	30,577	90,896
Payroll	-	662	662	-
Totals	<u>\$ 531,646</u>	<u>\$ 210,512</u>	<u>\$ 86,680</u>	<u>\$ 655,478</u>