

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

VAN BUREN TOWNSHIP

MADISON COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

02/03/2025

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-----------------------------|-----------------|----------------------|
| Trustee | Denise Amos | 01-01-20 to 12-31-24 |
| Chair of the Township Board | Jerry Brunnet | 01-01-20 to 12-31-21 |
| | Ralph Gordon | 01-01-22 to 12-31-24 |



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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF VAN BUREN TOWNSHIP, MADISON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Van Buren 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 Denise Amos, Trustee, and Ralph Gordon, Chair of the Township Board, on December 10, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

November 19, 2024

VAN BUREN TOWNSHIP, MADISON COUNTY
COMMENTS

CAPITAL ASSETS

Condition and Context

Internal controls were not in place to ensure capital assets were properly reported. The Township provided a detailed listing of capital assets; however, the listing did not agree to what was reported on the Schedule of Capital Assets in the Annual Financial Report filed via the Indiana Gateway for Government Units financial reporting system. The Township reported \$1,466,100 in capital assets as of December 31, 2023.

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](#)."

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (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. . . ."

VAN BUREN TOWNSHIP, MADISON COUNTY
COMMENTS
(Continued)

ADVANCE PAYMENTS

Condition and Context

Internal controls were not in place to ensure payment for compensation was not paid in advance. The Township Board members were paid 22 days, 23 days, and 20 days in advance of services rendered in 2021, 2022, and 2023, respectively.

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)

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

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FUND SOURCES AND USES

Condition and Context

Internal controls were not in place to ensure compliance with fund uses. The Township transferred \$16,579 from the Township Fire and E.M.S. fund and \$268 from the Cum Fire (Twp) fund in 2022. These transfers were not limited to those authorized by the enabling law and ordinance/resolution and were not approved by the governing board.

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)

VAN BUREN TOWNSHIP, MADISON COUNTY
COMMENTS
(Continued)

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:

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

VAN BUREN TOWNSHIP, MADISON 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 |
|---------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| GENERAL | \$ 85,021 | \$ 87,257 | \$ 82,916 | \$ 89,362 | \$ 96,367 | \$ 98,452 | \$ 87,277 |
| EMS - FIRE | 40,806 | 81,293 | 72,175 | 49,924 | 191,785 | 124,828 | 116,881 |
| TWP ASSISTANCE | 16,708 | 8,773 | 4,802 | 20,679 | 11,669 | 4,228 | 28,120 |
| FIRE | 71,949 | 88,520 | 64,257 | 96,212 | 113,321 | 116,995 | 92,538 |
| CUM FIRE(TWP) | 35,314 | 16,896 | - | 52,210 | 16,497 | 59,092 | 9,615 |
| FIRE EQUIP DEBT | 12,369 | 54,081 | 56,222 | 10,228 | 51,563 | 54,145 | 7,646 |
| CEMETERY | 2,551 | - | 1,976 | 575 | - | - | 575 |
| Payroll Withholding | 1,239 | 3,102 | 3,355 | 986 | 11,197 | 8,429 | 3,754 |
| FIREWORKS DONATIONS | - | - | - | - | 19,612 | 11,019 | 8,593 |
| Totals | <u>\$ 265,957</u> | <u>\$ 339,922</u> | <u>\$ 285,703</u> | <u>\$ 320,176</u> | <u>\$ 512,011</u> | <u>\$ 477,188</u> | <u>\$ 354,999</u> |

VAN BUREN TOWNSHIP, MADISON 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 |
|-------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| GENERAL | \$ 87,276 | \$ 106,729 | \$ 100,328 | \$ 93,677 | \$ 174,212 | \$ 155,611 | \$ 112,278 |
| EMS - FIRE | 116,881 | 227,749 | 160,135 | 184,495 | 159,393 | 123,346 | 220,542 |
| TWP ASSISTANCE | 28,120 | 8,527 | 9,175 | 27,472 | 8,608 | 4,452 | 31,628 |
| TOWNSHIP FIRE AND E.M.S | 92,537 | 142,998 | 89,683 | 145,852 | 91,634 | 62,175 | 175,311 |
| RAINY DAY | - | 42,748 | - | 42,748 | 64,123 | - | 106,871 |
| CUM FIRE(TWP) | 9,614 | 16,821 | 18,786 | 7,649 | 19,051 | 3,378 | 23,322 |
| FIRE EQUIP DEBT | 7,646 | 23,434 | 27,942 | 3,138 | - | - | 3,138 |
| CEMETERY | 576 | - | 576 | - | - | - | - |
| Payroll Withholding | 3,754 | 16,745 | 15,062 | 5,437 | 19,407 | 22,671 | 2,173 |
| LEVY EXCESS | - | 2,192 | - | 2,192 | - | 2,192 | - |
| FIREWORKS DONATIONS | 8,594 | 21,382 | 17,500 | 12,476 | 20,672 | 20,020 | 13,128 |
| Totals | <u>\$ 354,998</u> | <u>\$ 609,325</u> | <u>\$ 439,187</u> | <u>\$ 525,136</u> | <u>\$ 557,100</u> | <u>\$ 393,845</u> | <u>\$ 688,391</u> |

VAN BUREN TOWNSHIP TRUSTEE

Denise Amos
P.O. Box 397
813 E Mill Street
Summitville, IN 46070

Office Hours
Tuesday-Thursday 12:30-5:00
Phone (765) 536-2042
Email d.amos.vanburentwp@gmail.com

OFFICIAL RESPONSE

December 17, 2024

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, Indiana 46204-2765

Re:

Capital Assets:

Based upon your condition and context, VanBuren Township did not follow SBOA preference Asset Ledger form 369. I had no idea we were to follow this form. However, we did have a complete listing of our assets, but it was not to SBOA preference.

Advance Payments:

SBOA keeps stating Internal controls were not in place with VanBuren Township. However, we sure do. I and all of my Board members have been through the Internal control training standards. We do operate under these internal control standards and always have. SBOA cited myself for paying my Board members 2 weeks early instead of waiting until December 31. I find this a bit over reactive. Especially since the Board members have already provided Three hundred and fifty one days (351) of service out of Three hundred and sixty five (365) days of service for their salary paid positions.

The other advance payment SBOA is referring too is totally incorrect. The trustee nor the Fire Chief were paid in advance of more then one day. The trustee is only in office two (2) days per week. Therefore writing a check one day in advance and post dating the payment for the correct date should have been reviewed closer by SBOA instead of declaring early check payments. The check payment SBOA declared was written 17 days in advance of services for the Trustee in October 2023, were in fact for wages for the prior month. I had mistakenly failed to pay myself September wages in 2023.

Fund Sources and uses:

SBOA have accused the Trustee of transferring funds from the Fire budget and also from the Cum Fire funds without Township Board approval. This is totally false. SBOA failed to review the supporting minutes or the Board secretary failed to include the proper notation in the minutes. I nor my hired accounting consultant would never move monies from one fund to another without Board approval.

VAN BUREN TOWNSHIP TRUSTEE

Denise Amos
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813 E Mill Street
Summitville, IN 46070

Office Hours
Tuesday-Thursday 12:30-5:00
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Internal Controls:

SBOA continues to use all of their internal controls against many of these agencies Townships, Schools, City's and Towns, However, why is it, SBOA is not held to the same standard they expect the rest of us to uphold?

We just recently went through a special investigation audit because our prior Fire Chief had stolen millions of dollars from this township and the prior Fire Department. Yet SBOA not once contacted the Madison County prosecutor nor the investigating State police officer on the case. It took SBOA well over two (2) years to investigate this case and not once did SBOA contact the county prosecutor for further evidence. Nor was I, Township Trustee allowed to share part of the SBOA findings with the investigating officer or the prosecutor, until the investigating officer contacted SBOA asking why SBOA did not reach out to the prosecutor or the investigating officer for information. I find this to be totally unacceptable. This was tax payers dollars that will never be recovered. SBOA needs to provide answers to this million dollar theft that will never be reimbursed back to the citizens of VanBuren Township because of SBOA negligence. I personally find this totally unacceptable.

Best Regards,
Denise Amos
VanBuren Township Trustee