

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

CLINTON TOWNSHIP

BOONE COUNTY, INDIANA

January 1, 2021 to December 31, 2024



FILED

05/09/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Chad Johnson	01-01-21 to 12-31-25
Chair of the Township Board	Andrew Wilhoite	01-01-21 to 12-31-21
	Brad Smith	01-01-22 to 12-31-23
	Anita Dale	01-01-24 to 12-31-24
	Brad Smith	01-01-25 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF CLINTON TOWNSHIP, BOONE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Clinton Township (Township), for the period of January 1, 2021 to December 31, 2024. 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>.

Beth Kelley, CPA, CFE
Deputy State Examiner

April 23, 2025

CLINTON TOWNSHIP, BOONE COUNTY
COMMENTS

BANK ACCOUNT RECONCILIATIONS

This same comment appeared in a Management Letter addressed to the Officials of the Township for the engagement period ending December 31, 2020.

Condition and Context

Internal controls were not in place to ensure bank reconciliations were completed. Reconciliations of fund balances to bank account balances were not presented for the engagement period. Based on procedures we performed, the fund balances were less than the adjusted bank balance by \$176 and \$173 as of December 31, 2021 and 2024, respectively, and \$181 and \$20 more than the adjusted bank balances as of December 31, 2022 and 2023, respectively.

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)

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. . . ."

COMPENSATION AND BENEFITS

This same comment appeared in a Management Letter addressed to the Officials of the Township for the engagement period ending December 31, 2020.

CLINTON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

Condition and Context

Internal controls were not in place to ensure the Township adopted a salary resolution to establish salaries and wages for Township officers and employees. The Township did not provide an annual Resolution Establishing Salaries of Township Officers and Employees Township Form 17, Township Board minutes, or other documentation setting and approving the salaries of Township officers and employees during the engagement period.

Criteria

Indiana Code 36-6-6-10(c) states in part: "The township legislative body shall fix the compensation of all officers and employees of the township. Compensation shall be established using an annual, monthly, or biweekly salary schedule."

However, please remember the township board should RECORD THE SALARIES SO FIXED IN THE TOWNSHIP BOARD MINUTES. A type of format for recording these salaries should be the existing format of Township Form No. 17. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 3)

Township Form No. 17 (Revised 2020) has been prescribed to fulfill the requirements of the law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 3)

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)

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CONTRACTS

Condition and Context

Internal controls were not in place to ensure payments for contractual services were supported by a contract. Payments were made by the Township for firefighting without a written contract in the total amount of \$10,000 per year for 2021, 2023, and 2024.

CLINTON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

We selected four payments for mowing services for testing. There were no written contracts to support the amounts paid of \$993, \$993, \$900, and \$1,000.

Criteria

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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TOWNSHIP ASSISTANCE

Condition and Context

Internal controls were not in place to ensure required forms prescribed by the Indiana State Board of Accounts were in use and that Township Assistance standards were adopted in accordance with Indiana Code 12-20-5.5-1.

The Township had not adopted Township Assistance Standards as required by Indiana Code 12-20-5.5-1.

There were four Township Assistance disbursements during the engagement period. All disbursements were tested for compliance. The following errors were identified:

- An Application for Township Assistance Form (TA-1) was not presented for three of the disbursements tested.
- The Application for Township Assistance Form (TA-1) for the remaining disbursement did not include documentation of an investigation by the Township.
- Prescribed forms: Notice of Township Assistance Action (TA-1A) and Township Assistance Purchase Orders (TA-2) were not presented for any of the transactions tested.

CLINTON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

Criteria

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed.
- (6) The township trustee shall annually certify that the uniform written standards for the issuance of township assistance have been filed with the board of county commissioners as required under subsections (b)(2). The certification shall be noted in the township's budget submitted to the department of local government finance's computer gateway under [IC 6-1.1-17-3](#)."

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)

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CLINTON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

RECORD OF HOURS WORKED

Condition and Context

Internal controls were not in place to ensure a record of hours worked for the Township Secretary was maintained as required. The Township Secretary was paid a total of \$3,000 from 2021 to 2024.

Criteria

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins must be kept for all employees. These requirements can be met by use of the following prescribed general forms:

- General Form 99A, Employee's Service Record
- General Form 99B, Employee's Earnings Record
- General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly.

Additional information regarding FLSA rules and regulations may be obtained from the Department of Labor.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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

CLINTON TOWNSHIP, BOONE 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	\$ 23,323	\$ 12,552	\$ 13,368	\$ 22,507	\$ 15,951	\$ 16,911	\$ 21,547
Township Assistance	7,800	3,938	168	11,570	-	681	10,889
Fire Fighting	23,037	18,436	10,000	31,473	6,744	10,000	28,217
Rainy Day	6,251	-	-	6,251	-	-	6,251
Totals	<u>\$ 60,411</u>	<u>\$ 34,926</u>	<u>\$ 23,536</u>	<u>\$ 71,801</u>	<u>\$ 22,695</u>	<u>\$ 27,592</u>	<u>\$ 66,904</u>

CLINTON TOWNSHIP, BOONE COUNTY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2023 and 2024

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23	Receipts	Disbursements	Cash and Investments 12-31-24
Township	\$ 21,547	\$ 20,396	\$ 14,459	\$ 27,484	\$ 20,165	\$ 14,809	\$ 32,840
Township Assistance	10,889	-	-	10,889	-	790	10,099
Fire Fighting	28,217	-	10,000	18,217	-	10,000	8,217
Rainy Day	6,251	-	-	6,251	-	-	6,251
Totals	<u>\$ 66,904</u>	<u>\$ 20,396</u>	<u>\$ 24,459</u>	<u>\$ 62,841</u>	<u>\$ 20,165</u>	<u>\$ 25,599</u>	<u>\$ 57,407</u>

CLINTON TOWNSHIP, BOONE COUNTY
EXIT CONFERENCE

The contents of this report were communicated to Chad Johnson, Trustee; Brad Smith, Chair of the Township Board; and Anita Dale, Township Board member, on April 29, 2025.