

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

HARRISON TOWNSHIP

BOONE COUNTY, INDIANA

January 1, 2021 to December 31, 2024



FILED

05/21/2025

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3
Comments	4-14
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	16-17
Exit Conference.....	18

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Hazel Johnson	01-01-21 to 12-31-25
Chair of the Township Board	Arlan Johnson	01-01-21 to 12-31-21
	John Brose	01-01-22 to 12-31-22
	Arlan Johnson	01-01-23 to 12-31-23
	Gary Baldauf	01-01-24 to 12-31-24
	Fletcher Branes	01-01-25 to 12-31-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Harrison 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

May 13, 2025

HARRISON TOWNSHIP, BOONE COUNTY COMMENTS

ANNUAL UPLOADS

Condition and Context

Internal controls were not in place to ensure compliance with State Examiner Directive 2018-1 as amended. The Township did not upload into the Indiana Gateway for Government Units financial reporting system any of the required annual files for 2021-2024.

The following files and governmental unit information are required to be uploaded annually:

- Year-end investment statements
- Details of receipts for the year
- Detail of disbursements for the year
- Current year salary ordinance (and Amendments effective beginning with annual uploads of 2020 information)
- Annual vendor history report
- Annual employee earnings record/payroll history report without social security numbers (unless only hand posted records exist)
- Annual funds ledger summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund (effective beginning with 2020 information)
- Personnel Policy
- Contracts for Mowing and Fire Protection

Criteria

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; updated October 30, 2023, effective with the December 2023 monthly uploads due February 15, 2024, and the 2023 annual uploads due March 1, 2024)

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)

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.

HARRISON TOWNSHIP, BOONE COUNTY
 COMMENTS
 (Continued)

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. . . ."

SUPPORTING DOCUMENTATION

Condition and Context

Internal controls were not in place to ensure the Township complied with disbursement requirements. The Trustee was reimbursed throughout the engagement period for items that did not have supporting documentation to support the reimbursement.

<u>Date</u>	<u>Amount</u>	<u>Payee</u>	<u>Description of Purchase (if any)</u>
09-30-21	\$ 38	Hazel Johnson	unknown
09-30-22	60	Hazel Johnson	unknown
09-30-23	26	Hazel Johnson	unknown
03-31-24	48	Hazel Johnson	unknown
09-30-24	<u>419</u>	Hazel Johnson	trailer repairs and stamps
Totals	<u>\$ 592</u>		

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)

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. . . ."

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

The same comment also appeared in prior Reports B48247 and B57581.

Condition and Context

Internal controls were not in place to ensure that the Township complied with requirements for payroll. During one quarter in 2021 and one quarter in 2022, the Township did not remit payroll taxes on a timely basis. As a result, the Township paid \$162 in penalties and interest.

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit 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. . . ."

SALARY RESOLUTION

Condition and Context

Internal controls were not in place to ensure that the Township adopted a Resolution Recommending Salaries of Township Officers and Employees Township Form 17 for 2021, 2022, 2023, and 2024.

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

Criteria

Indiana Code 36-6-6-10(c) states:

"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. An elected township officer is not required to report hours worked and may not be compensated based on the number of hours worked."

The type of format for recording these salaries should be the existing form of Township Form 17 Resolution Recommending Salaries of Township Officers and Employees. The salaries so fixed shall be recorded in the township board minutes. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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)

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. . . ."

RECORD OF HOURS WORKED

Condition and Context

Internal controls were not in place to ensure the Township complied with requirements for payroll reporting. Detailed records reflecting specific days or hours worked were not maintained for the Township Clerk during the engagement period.

Criteria

Indiana Code 5-11-9-4(b) states:

"The state board of accounts shall require that records be maintained showing which hours were worked each day by officers and employees:

- (1) covered by section 1 or 2 of this chapter; and

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

(2) employed by more than one (1) public agency or in more than one (1) position by the same public agency described in section 1 or 2 of this chapter."

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 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)

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)

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. . . ."

CAPITAL ASSETS

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

Condition and Context

Internal controls were not in place to ensure the Township complied with requirements for capital assets. The Township had not adopted a capital asset policy, conducted a physical inventory or maintained a record of capital assets owned for the engagement period. Capital assets reported by the Township in the Annual Financial Report as of December 31, 2024, were \$4,000.

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

Criteria

Every unit must have a capital asset 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)

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)

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. . . ."

ADOPTION OF TOWNSHIP ASSISTANCE STANDARDS

Condition and Context

Internal controls were not in place to ensure the Township complied with Township Assistance requirements. The Township had not adopted Township Assistance standards for the engagement period.

Criteria

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.

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 (IC 12-20);
2. Proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners.

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

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.

Standards for the administration of township assistance must contain the following:

1. Criteria for determining township assistance eligibility.
2. Minimum requirements of township trustee accessibility.
3. Other information as needed, including the following:
 - A. Township office locations, hours, and days of availability.
 - B. Initial eligibility criteria.
 - C. Continuing eligibility criteria.
 - D. Workfare requirements.
 - E. Essential and nonessential assets.
 - F. Available resources.
 - G. Income exemptions.
 - H. Application process.
 - I. Countable income.
 - J. Countable assets.
 - K. Wasted resources.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

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.

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

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. . . ."

TOWNSHIP ASSISTANCE

Condition and Context

Internal controls were not in place to ensure the Township used prescribed forms in provision of Township Assistance. The Trustee did not use the prescribed forms Township Assistance Action (TA-1A) or the Township Assistance Purchase Order (TA-2) during the engagement period.

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 Form TA-1A, "Notice of Township Assistance Action", 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. In those cases where the trustee has determined to terminate or reduce benefits, if an appeal is requested within ten (10) days, assistance shall be continued to those recipients until a decision by the county commissioners is made . . .

. . . In a nonemergency request for township assistance, the trustee shall act on the completed application not later than seventy-two (72) hours after receiving the completed application, excluding weekends and legal holidays listed in IC 1-1-9. The trustee's office shall retain a copy of each completed application and affidavit whether or not relief is granted.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 3)

Township Assistance Purchase Order must be issued for each and every township assistance order for medical aid. The form is to be made out in triplicate. The original is either given the indigent to take to the doctor or vendor, or is mailed to the doctor or vendor. The duplicate is to be filed alphabetically in the assistance office, and the triplicate remains in the book in numerical order. The purchase order must be completely filled out and itemized before being issued to the doctor or vendor. The doctor or vendor must itemize fully on the reverse side the exact services rendered or items supplied, and must obtain the signature of the relief client. When more than one service is rendered on the same purchase order, a separate report (Form TA-4) must be submitted for each service showing necessary signatures. The original purchase order, signed by the recipient, must accompany the doctor's or vendor's claim when filed with the trustee for payment. (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)

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:

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

"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. . . ."

LOCAL INCOME TAX CERTIFIED SHARES

Condition and Context

Internal controls were not in place to ensure the Township complied with requirements for local income tax (LIT) distributions. The Township posted LIT certified shares distributions for 2023 and 2024 to the Fire Fighting fund instead of the Township fund. The Fire Fighting fund was overstated and the Township Fund was understated by \$3,587 and \$4,633, for 2023 and 2024, respectively.

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)

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. . . ."

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

ADOPTION OF INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B57581.

Condition and Context

Internal controls were not in place to ensure that the Township complied with requirements for internal controls. The Township had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

Criteria

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

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

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

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. . . ."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B57581.

Condition and Context

Internal controls were not in place to ensure the Township entered accurate information into the Annual Financial Report filed in the Indiana Gateway for Government Units financial reporting system. The Township certified that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, during the engagement, the Trustee indicated that the Township had not adopted the minimum internal control standards.

HARRISON TOWNSHIP, BOONE COUNTY
COMMENTS
(Continued)

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](#)."

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. . . ."

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

HARRISON 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	\$ 18,745	\$ 13,690	\$ 15,313	\$ 17,122	\$ 14,454	\$ 17,235	\$ 14,341
Township Assistance	5,758	-	-	5,758	-	-	5,758
Fire Fighting	14,127	11,983	8,000	18,110	8,212	8,000	18,322
Rainy Day	7,214	-	-	7,214	-	-	7,214
Totals	<u>\$ 45,844</u>	<u>\$ 25,673</u>	<u>\$ 23,313</u>	<u>\$ 48,204</u>	<u>\$ 22,666</u>	<u>\$ 25,235</u>	<u>\$ 45,635</u>

HARRISON 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	\$ 14,341	\$ 22,659	\$ 20,166	\$ 16,834	\$ 23,387	\$ 16,664	\$ 23,557
Township Assistance	5,758	-	751	5,007	-	-	5,007
Fire Fighting	18,322	5,890	8,000	16,212	6,934	8,000	15,146
Rainy Day	7,214	-	-	7,214	1,000	-	8,214
Totals	<u>\$ 45,635</u>	<u>\$ 28,549</u>	<u>\$ 28,917</u>	<u>\$ 45,267</u>	<u>\$ 31,321</u>	<u>\$ 24,664</u>	<u>\$ 51,924</u>

HARRISON TOWNSHIP, BOONE COUNTY
EXIT CONFERENCE

The contents of this report were communicated to Hazel Johnson, Trustee, and Arlan Johnson, Township Board member, on May 13, 2025.