

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

COMPLIANCE REPORT

OF

POLK TOWNSHIP

MONROE COUNTY, INDIANA

January 1, 2014 to December 31, 2017



**FILED**  
01/11/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Christopher Spiek	01-01-11 to 12-31-18
Chairman of the Township Board	Virgil Cain	01-01-14 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF POLK TOWNSHIP, MONROE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Polk Township (Township), Monroe County, for the period of January 1, 2014 to December 31, 2017, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

The Schedule of Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 26, 2018

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#### OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Township's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

POLK TOWNSHIP, MONROE COUNTY  
 SCHEDULE OF CASH AND INVESTMENT  
 BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

Fund	Cash and Investments 12-31-17
Township	\$ 73,387
Township Assistance	20,282
Fire Fighting	68,751
Rainy Day	1,937
Excess Levy	<u>534</u>
Total	<u>\$ 164,891</u>

POLK TOWNSHIP, MONROE COUNTY  
RESULTS AND COMMENTS

***BANK ACCOUNT RECONCILIATIONS***

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the December 31, 2017 reconciliation did not balance due to unidentified errors. As a result, the ending cash and investments balance was \$5,040 less than the adjusted bank balance.

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)

***ADOPTION OF INTERNAL CONTROL STANDARDS***

The Township had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

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

"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 . . ."

POLK TOWNSHIP, MONROE COUNTY  
RESULTS AND COMMENTS  
(Continued)

**TRAINING ON INTERNAL CONTROL STANDARDS**

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

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."

**CERTIFICATION ON INTERNAL CONTROL STANDARDS**

The Township certified with the Annual Financial Report on Gateway that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e) and that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the unit; however, during the engagement, the Trustee indicated that the Township had not adopted the minimum internal control standards and that all personnel had not received training concerning the internal control standards.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. 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](#)."

POLK TOWNSHIP, MONROE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 26, 2018, with Christopher Spiek, Trustee.