

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

BLOOMINGTON TOWNSHIP

MONROE COUNTY, INDIANA

January 1, 2014 to December 31, 2017



FILED
02/01/2019

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|---|-------------|
| Schedule of Officials | 2 |
| Transmittal Letter | 3 |
| Audit Results and Comments: | |
| Internal Controls over Financial Transactions | 4 |
| Training on Internal Control Standards | 4 |
| Exit Conference..... | 5 |

SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|-----------------------------------|---------------------|----------------------|
| Trustee | Lillian Henegar | 03-30-13 to 12-31-18 |
| Chairman of the Township Board | Bill Sturbaum | 01-01-14 to 12-31-14 |
| | Barbara McKinney | 01-01-15 to 12-31-15 |
| | Kim Alexander | 01-01-16 to 12-31-16 |
| | Vic Kelson | 01-01-17 to 12-31-17 |
| | Barbara E. McKinney | 01-01-18 to 12-31-18 |



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

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

This report is supplemental to our audit report of Bloomington Township (Township), for the period from January 1, 2014 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statements Audit Report of the Township, which provides our opinions on the Township's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit 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.

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

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

December 13, 2018

BLOOMINGTON TOWNSHIP, MONROE COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS

There were deficiencies in the internal control system for the Township related to financial transactions. The Township had not separated incompatible activities related to payroll disbursements.

The Accounts Clerk performed all of the activities related to payroll disbursements without evidence of oversight or review.

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

Two Township personnel (Fire Chief and IT Specialist) were not trained on the required internal control standards adopted by the Township.

Indiana 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."

BLOOMINGTON TOWNSHIP, MONROE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 13, 2018, with Lillian Henegar, Trustee; Lisa Myers, Deputy Trustee; and Barbara E. McKinney, Chairman of the Township Board.