

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WILDCAT TOWNSHIP

TIPTON 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 .....	4-5
Certification on Internal Control Standards .....	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Melissa Bryant Samantha Garrett Harden Beth Lange	01-01-13 to 03-28-17 03-29-17 to 12-31-17 01-01-18 to 12-31-22
Chairman of the Township Board	Howard C. Heath Frank L. Fitch	01-01-14 to 09-07-15 09-08-15 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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF WILDCAT TOWNSHIP, TIPTON COUNTY, INDIANA

This report is supplemental to our audit report of Wildcat 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/](http://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

WILDCAT TOWNSHIP, TIPTON COUNTY  
AUDIT RESULTS AND COMMENTS

***INTERNAL CONTROLS***

There were deficiencies in the internal control system of the Township as they had not separated incompatible activities related to all areas of the financial statements and financial reporting. The failure to establish these controls could enable material misstatements to be undetected.

*Cash and Investments*

The Trustee prepared the bank account reconciliations without a documented oversight or review.

*Receipts*

The Trustee collected funds, made deposits, and recorded the receipts in the ledger without a documented review or oversight.

*Vendor Disbursements*

The Trustee prepared the checks, approved purchases, distributed the checks, recorded the checks, and approved adjustments for the Township without any oversight or review.

*Payroll*

The Trustee prepared the payroll, calculated deductions and net pay, and prepared and distributed the payroll checks, without a documented review or oversight.

*Financial Reporting*

The Trustee entered financial information into the Indiana Gateway for Government Units (Gateway) financial reporting system, approved the Gateway Annual Report, and approved the prepared financial statements without a documented review or oversight.

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.

WILDCAT TOWNSHIP, TIPTON COUNTY  
AUDIT RESULTS AND 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. . . ."

***CERTIFICATION ON INTERNAL CONTROL STANDARDS***

The Township certified that they had adopted internal control standards and performed the proper training over the standards as required by Indiana Code 5-11-1-27(g); however, the policy and documentation of the training were not provided for review.

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."

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

"After June 30, 2016, the fiscal officer of a political subdivision shall certify in writing that:

- (1) the minimum internal control standards and procedures defined under subsection (e) have been adopted by the political subdivision; and
- (2) personnel, who are not otherwise on leave status, have received training as required by subsection (g)(2).

The certification shall be filed with the state board of accounts at the same time as the annual financial report required by section 4(a) of this chapter is filed. The certification shall be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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](#)."

WILDCAT TOWNSHIP, TIPTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 13, 2018, with Beth Lange, Trustee, and Frank L. Fitch, Chairman of the Township Board.

The contents of this report were emailed on December 13, 2018, to Melissa Bryant and Samantha Garrett Harden, former Trustees.