

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WAYNE TOWNSHIP

MARION COUNTY, INDIANA

January 1, 2014 to December 31, 2017



FILED
02/14/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Andy Harris	01-01-11 to 12-31-18
	Charles J. Jones	01-01-19 to 12-31-22
Judge	Danny Vaughn	01-01-11 to 12-31-14
	Gerald Coleman	01-01-15 to 12-31-22
Chairman of the Township Board	Doug White	01-01-14 to 12-31-15
	Gary Woodruff	01-01-16 to 12-31-16
	Doug White	01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WAYNE TOWNSHIP, MARION COUNTY, INDIANA

This report is supplemental to our audit report of Wayne 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 opinion 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 19, 2018

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TRUSTEE
WAYNE TOWNSHIP, MARION COUNTY

TRUSTEE
WAYNE TOWNSHIP, MARION COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

There were deficiencies in the internal control system for the Township related to reporting. The Township had not separated incompatible activities related to financial close and reporting. The failure to establish and maintain internal controls could have enabled material misstatements or irregularities to remain undetected.

The Township relied on one employee to enter the financial report information into the Indiana Gateway for Government Units (Gateway) financial reporting system, which is the source of the Annual Financial Reports (AFRs) and the financial statements. There was no oversight or review of the submission of the Gateway AFR.

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. . . ."

TRUSTEE
WAYNE TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2018, with Andy Harris, Trustee; Lynn McWhirter, Director of Operations; Doug White, Chairman of the Township Board; Susan Scott, Chief Deputy Trustee; Melody Rooker, Court Bookkeeper; and Tiffany Wallace, Court Manager.

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SMALL CLAIMS COURT
WAYNE TOWNSHIP, MARION COUNTY

SMALL CLAIMS COURT
WAYNE TOWNSHIP, MARION COUNTY
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

There were deficiencies in the internal control system for the Small Claims Court (Court) related to financial transactions and reporting. The Court had not separated incompatible activities related to cash and investments and disbursements. The failure to establish and maintain internal controls could have enabled material misstatements or irregularities to remain undetected.

Cash and Investments

The Court relied on one employee to prepare the month end bank account reconciliations. There were no controls in place, such as an oversight, review, or approval process to ensure their accuracy.

Disbursements

The Court relied on one employee to write the daily checks. There was no oversight or review of the daily check writing process.

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SMALL CLAIMS COURT
WAYNE TOWNSHIP, MARION COUNTY
EXIT CONFERENCE

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