

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WHITE RIVER TOWNSHIP

HAMILTON COUNTY, INDIANA

January 1, 2014 to December 31, 2017



**FILED**  
03/22/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Jamie Rulon	01-01-11 to 12-31-18
Chairman of the Township Board	Donna Gentry	01-01-14 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF WHITE RIVER TOWNSHIP, HAMILTON COUNTY, INDIANA

This report is supplemental to our audit report of White River 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/](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 Result and Comment contained herein describe the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

November 7, 2018

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS**

There were several deficiencies in the internal control system of the Township related to financial transactions.

The Township had not separated incompatible activities related to all areas of the financial statements.

The Township adopted a resolution for internal controls; however, no evidence was apparent of internal controls throughout the course of the audit in regards to financial transactions and reporting. The Trustee performed the bank reconciliations, collected monies, posted and deposited receipts, and wrote and posted checks (disbursements) to the financial ledger with no documentable review or oversight. The internet website, Indiana Gateway for Government Units (Gateway), is the collection platform for local units of government to submit required data to the State of Indiana. All Townships are required to submit their Annual Financial Report via the Gateway. The Township did not have documentable controls to verify the accuracy of the financial information prior to submission.

Failure to establish these controls could allow material misstatements to go undetected.

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. . . ."

WHITE RIVER TOWNSHIP, HAMILTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 7, 2018, with Jamie Rulon, Trustee.