

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

COMPLIANCE REPORT

OF

SCOTT TOWNSHIP

KOSCIUSKO COUNTY, INDIANA

January 1, 2015 to December 31, 2018



FILED
12/10/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Fred Slabaugh	01-01-15 to 12-31-19
Chairman of the Township Board	John Mast	01-01-15 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SCOTT TOWNSHIP, KOSCIUSKO COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Scott Township (Township), Kosciusko County, for the period of January 1, 2015, to December 31, 2018, 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 14, 2019

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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.

SCOTT TOWNSHIP, KOSCIUSKO COUNTY
 STATEMENT OF CASH AND INVESTMENT
 BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

Fund	Cash and Investments 12-31-18
Township	\$ 22,593
Township Assistance	12,346
Fire Fighting	20,008
Rainy Day	<u>3,612</u>
Total	<u>\$ 58,559</u>

SCOTT TOWNSHIP, KOSCIUSKO COUNTY
RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

Condition and Context

Compensation and benefits were paid to Township employees without an approved salary ordinance.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Depository reconciliations of the fund balances to the bank account balances were not presented for audit.

Criteria

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."

ADOPTION OF INTERNAL CONTROL STANDARDS

Condition and Context

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

Criteria

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

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

SCOTT TOWNSHIP, KOSCIUSKO COUNTY
RESULTS AND COMMENTS
(Continued)

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision. . . ."

TRAINING ON INTERNAL CONTROLS STANDARDS

Condition and Context

Township personnel whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds that belong to the political subdivision or another governmental entity, had not received training concerning the internal control standards.

Criteria

Indiana 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

Condition and Context

The Township certified on Gateway that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning internal control standards and that an internal control policy had been adopted by the Township; however, during the course of the engagement, it was determined that personnel had not received the required training, nor had a policy been adopted.

Context

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](#)."

SCOTT TOWNSHIP, KOSCIUSKO COUNTY
EXIT CONFERENCE

The contents of this report were discussed on November 14, 2019, with Fred Slabaugh, Trustee, and John Mast, Chairman of the Township Board.