

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

COMPLIANCE REPORT

OF

WAYNE TOWNSHIP

STARKE COUNTY, INDIANA

January 1, 2017 to December 31, 2018



**FILED**  
09/15/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Clara Schacht Donna Woods	01-01-17 to 12-31-18 01-01-19 to 12-31-20
Chair of the Township Board	Joseph Griffo Alicia Collins	01-01-17 to 12-31-18 01-01-19 to 12-31-20



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Wayne Township (Township), Starke County, for the period of January 1, 2017 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 non-compliance 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 Township's Annual Financial Report information can be found on the Indiana Gateway for Government Units financial reporting system website: <https://gateway.ifionline.org> and has not been subjected to any audit procedures.

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

July 21, 2020

WAYNE TOWNSHIP, STARKE COUNTY  
RESULTS AND COMMENTS

**FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS**

Similar comments also appeared in prior Report B48570, entitled *PAYROLL* and *FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS*.

*Condition and Context*

The following exceptions were related to compensation:

1. W-2s for 2017 and 2018 were not provided.
2. 1099-Misc forms were not provided.
3. The Township failed to withhold Social Security and Medicare taxes on the salaries paid during 2017 and 2018.

*Criteria*

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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)

**TOWNSHIP BOARD MINUTES MISSING**

*Condition and Context*

The Township did not provide Township Board minutes for 2017. The Township provided only partial Township Board minutes for 2018. The Township Board minutes provided for 2018 did not make the actions of the Township Board clear.

*Criteria*

Indiana Code 36-6-6-8 states:

"The legislative body shall keep a permanent record of its proceedings in a book furnished by the executive. The secretary of the legislative body shall, under the direction of the legislative body, record the minutes of the proceedings of each meeting in full and shall provide copies of the minutes to each member of the legislative body before the next meeting is convened. After the minutes are approved by the legislative body, the secretary of the legislative body shall place the minutes in the permanent record book. The chair of the legislative body shall retain the record in the chair's custody."

WAYNE TOWNSHIP, STARKE COUNTY  
RESULTS AND COMMENTS  
(Continued)

**ANNUAL FINANCIAL REPORTS**

The same comment also appeared in prior Report B48570.

*Condition and Context*

The Annual Financial Reports (AFR) filed on the Indiana Gateway for Government Units financial reporting system for 2017 and 2018 did not agree with the Township's records. The 2017 beginning cash and investment balance for the Cumulative Fire fund was overstated by \$22,493 on the AFR. This overstatement carried to the cash and investment balances at December 31, 2017 and 2018.

*Criteria*

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](#)."

**ADOPTION OF, AND TRAINING AND CERTIFICATION ON, INTERNAL CONTROL STANDARDS**

*Condition and Context*

The Township Board failed to adopt the acceptable minimum level of internal control standards and ensure that training was provided for all personnel over internal control standards adopted, as required by Indiana Code 5-11-1-27(g).

The Trustee incorrectly certified on the Indiana Gateway for Government Units financial reporting system that the Township Board had adopted internal control standards, and that training was provided to personnel as required by Indiana Code 5-11-1-27(e).

*Criteria*

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 5-11-1-4(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](#)."

WAYNE TOWNSHIP, STARKE COUNTY  
RESULTS AND COMMENTS  
(Continued)

**CONTRACTS**

The same comment also appeared in prior Report B48570.

*Condition and Context*

Contracts for fire protection and mowing were not presented for 2017 and 2018.

*Criteria*

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**CERTIFICATIONS FOR NEPOTISM AND CONTRACTING WITH A UNIT**

The same comment appeared in prior Report B48570.

*Condition and Context*

Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31 for 2017 through 2018.

Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31 for 2017 through 2018.

*Criteria*

Indiana Code 36-1-20.2-16 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

Indiana Code 36-1-21-6 states: "Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

**TOWNSHIP ASSISTANCE STANDARDS**

The same comment also appeared in prior Report B48570.

*Condition and Context*

Township Assistance Standards were not established or adopted by the Township Board.

WAYNE TOWNSHIP, STARKE COUNTY  
RESULTS AND COMMENTS  
(Continued)

*Criteria*

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township assistance applications are taken or processed."

WAYNE TOWNSHIP ADVISORY BOARD  
STARKE COUNTY, INDIANA

OFFICIAL RESPONSE

7/22/20

INDIANA STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON ST. ROOM E418  
INDIANAPOLIS, IN 46204-2765

Re:

The Wayne Township Advisory Board is working to better serve our community. Past years, there have been little to no documentation presentation. We have internal controls in place to avoid this situation in the future. Our board is diligently working to improve. These audit comments are from 2017 and 2018 and we did not start serving in this capacity until 2019. We have received the comments and are learning from them.

*Alicia Collins*



President,  
Wayne Township  
Advisory Board  
Starke County, IN

WAYNE TOWNSHIP, STARKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2020, with Donna Woods, Trustee, and Alicia Collins, Chair of the Township Board.