



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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November 17, 2021

TO: THE OFFICIALS OF SCIPIO TOWNSHIP, ALLEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Scipio Township, Allen County, for the period of January 1, 2016 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

***Comments***

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

*Condition and Context*

The Township did not adopt an internal control policy or train employees on the minimum level of internal control standards as defined by the Indiana State Board of Accounts. The Township incorrectly certified on the Indiana Gateway for Government Units financial reporting system that the Township had adopted the minimum level of internal control standards and that Township personnel had received training regarding internal control standards for the years 2016, 2019, and 2020.

*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 audited entity 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](#)."

## **BANK ACCOUNT RECONCILIATIONS**

A similar comment also appeared in prior Report B46444.

### *Condition and Context*

The adjusted bank balance was \$10,700 more than the ending fund balance as of December 31, 2020. The variance is due to errors in the Annual Financial Report.

### *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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, 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.

### SCHEDULE OF CASH AND INVESTMENT BALANCES - REGULATORY BASIS For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
Township	\$ 40,035
Township Assistance	17,069
Fire Fighting	<u>24,275</u>
Total	<u>\$ 81,379</u>

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this letter were communicated to Marty Dager, Trustee, and Paul Omo, Chair of the Township Board, on October 21, 2021.

Respectfully,

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