



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 14, 2022

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, RANDOLPH COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Washington Township (Township), Randolph 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.

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 OF AND TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

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

In addition, Township employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Township, had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

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."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Township certified on the Indiana Gateway for Government Units (Gateway) financial reporting system that it had adopted the minimum internal control standards, as required by Indiana Code 5-11-1-27(e); however, during the engagement, the Trustee indicated that the Township had not adopted the minimum internal control standards.

In addition, the Township certified on Gateway that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Township; however, during the engagement, the Trustee indicated that all personnel had not received training concerning the internal control standards.

Context

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

Condition and Context

A similar comment appeared in the immediately prior Report B46497.

Depository reconciliations of the Township's fund balances to its bank account balances had not been presented for review. In addition, the Township had not provided a detail listing of outstanding checks and other reconciling items as of December 31, 2020; therefore, the year-end reconciliation did not balance. As a result, the financial statement ending cash and investments balance was \$586 less than the adjusted bank balance.

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 Libraries, Chapter 1)

ANNUAL NEPOTISM AND CONTRACTING CERTIFICATIONS

Condition and Context

A similar comment appeared in the immediately prior Report B46497.

Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2016, 2017, 2018, 2019, and 2020.

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, 2016, 2017, 2018, 2019, and 2020.

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."

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Condition and Context

A similar comment appeared in the immediately prior Report B46497.

Federal Forms 1099 (or equivalent) were not presented for review; therefore, we could not determine whether payments made throughout the engagement period to the Trustee for office rent and/or mowing were included in the Trustee's taxable earnings.

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)

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	\$ 35,604
Township Assistance	54,373
Fire Fighting	36,941
Rainy Day	4,608
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Total	\$ 131,526

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

The contents of this report were communicated to Krista Naylor, Trustee, and Gerry Mark Horner, Chair of the Township Board, on December 27, 2021.

Respectfully,

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