



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

October 25, 2022

TO: THE OFFICIALS OF CLAY TOWNSHIP, DEARBORN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Clay Township (Township), Dearborn County, for the period of January 1, 2018 to December 31, 2021, 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***

***CERTIFICATION ON INTERNAL CONTROL STANDARDS***

The same comment also appeared in prior Report B51282.

***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) and 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 Township could not provide supporting documentation that it had adopted the minimum internal control standards, nor that all personnel had 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](#)."

## **TRAINING ON INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B51282.

### *Condition and Context*

The Township personnel, whose duties involved including receiving, processing, depositing, disbursing, or otherwise having access to funds, did not receive training over the internal control standards.

### *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."

## **ADOPTION OF INTERNAL CONTROL STANDARDS**

The same comment also appeared in prior Report B51282.

### *Condition and Context*

The Township did not adopt the acceptable minimum level of internal control standards as defined 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."

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, 2021

Fund	Cash and Investments 12-31-21
Township	\$ 84,744
Township Assistance	11,645
Fire Fighting	85,269
Rainy Day	7,581
Levy Excess	-
Payroll Withholding	<u>997</u>
Total	<u>\$ 190,236</u>

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

The contents of this report were communicated to Jerry Caldwell, Trustee, and Martin W. Hon, Chair of the Township Board, on September 21, 2022.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner