



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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October 26, 2022

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, KNOX 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), Knox 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.

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 INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B51731.

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.

Criteria

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

"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 . . ."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B51731.

Condition and Context

The Township certified on Indiana Gateway for Government units 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.

Criteria

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](#)."

CONTRACTS AND SUPPORTING DOCUMENTATION

Condition and Context

The Township made payments throughout the engagement period for fire protection and mowing services that were not supported by written contracts that contained payment amounts.

In addition, adequate supporting documentation was not maintained for all disbursement transactions tested during the engagement period.

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)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation 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, 2021

Fund	Cash and Investments 12-31-21
Township General	\$ 255,719
Township Assistance	132,323
Firefighting	80,543
Rainy Day	8,538
Payroll Deductions	<u>1,608</u>
Total	<u>\$ 478,731</u>

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

The contents of this report were communicated to Brian Stephens, Trustee, and Sue Rutledge, Chair of the Township Board, on September 13, 2022.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner