



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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October 27, 2022

TO: THE OFFICIALS OF RUSSELL TOWNSHIP, PUTNAM COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Russell Township (Township), Putnam 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 AND CERTIFICATION ON INTERNAL CONTROL STANDARDS

Similar comments also appeared in prior Report B52025, entitled *ADOPTION OF INTERNAL CONTROL STANDARDS* and *CERTIFICATION 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, the Township certified on the 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, there was no evidence that the Township had adopted the minimum 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."

ANNUAL FINANCIAL REPORT - BEGINNING AND ENDING BALANCES

Condition and Context

The Township's financial information was entered into the Indiana Gateway for Government Units financial reporting system, which was the source for the Annual Financial Report (AFR) and financial statements. Beginning balances reported for 2018 did not agree to the ending balances reported for 2017. The following variances were identified:

<u>Fund Name</u>	<u>December 13, 2017</u>	<u>January 1, 2018</u>	<u>Variance</u>
Township	\$ 14,802	\$ 14,271	\$ (531)
Township Assistance	10,718	10,028	(690)
Fire Fighting	-	4,843	4,843
Rainy Day	5,925	5,487	(438)
Cumulative Fire	<u>24,327</u>	<u>30,649</u>	<u>6,322</u>
Totals	<u>\$ 55,772</u>	<u>\$ 65,278</u>	<u>\$ 9,506</u>

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](#)."

SUPPORTING DOCUMENTATION

Condition and Context

The Township did not provide sufficient supporting documentation to verify the accuracy and validity for three of ten disbursements selected for testing.

Criteria

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)

TOWNSHIP BOARD MINUTES MISSING

Condition and Context

Township Board minutes of the Township's meetings for the months of January through June 2018 were not presented for review.

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."

Indiana Code 5-14-1.5-4 states in part:

". . . (b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under section 3.5 of 3.6 of this chapter or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication.

(c) The memoranda are to be available within a reasonable period of time after the meeting for the purpose of informing the public of the governing body's proceedings. The minutes, if any, are to be open for public inspection and copying."

MONTHLY AND ANNUAL UPLOADS

The files and governmental unit information that are required to be uploaded monthly include the bank reconciliements, approved board minutes and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, current year salary ordinance, and an annual vendor history report.

The Township did not comply with the State Examiner Directive and failed to upload a portion of the annual files on the Indiana Gateway for Government Units financial reporting system for 2018 or any of the annual files for 2019, 2020, and 2021.

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)

Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

LATE SUBMISSION OF CERTIFIED REPORT

Condition and Context

The Township's Certified Report of Names, Addresses, Duties, and Compensation of Public Employees (Form 100R), for 2018 was not filed electronically until February 25, 2019, which was 25 days past the due date.

Criteria

Indiana Code 5-11-13-1(a) states in part:

"Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts . . . The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

LATE SUBMISSION OF ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Reports B42790, entitled *ANNUAL REPORT* and B52025, entitled *LATE SUBMISSION OF ANNUAL FINANCIAL REPORT*.

Condition and Context

The Township's Annual Financial Report for 2018 was not filed electronically until August 13, 2019, which was 164 days past the due date.

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](#)."

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	\$ 18,322
Township Assistance	11,042
Fire Fighting	5,911
Rainy Day	7,675
Cumulative Fire	<u>12,160</u>
Total	<u>\$ 55,110</u>

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

The contents of this report were communicated to Renee Wiatt, Trustee, and Dennis Fordice, Chair of the Township Board, on October 10, 2022.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner