



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B60550

STATE BOARD OF ACCOUNTS
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January 5, 2023

TO: THE OFFICIALS OF ORLEANS TOWNSHIP, ORANGE COUNTY, INDIANA

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

COMPENSATION AND BENEFITS

A similar comment appeared in a Management Letter addressed to the Officials of Orleans Township for the Compliance period ending December 31, 2017.

Condition and Context

The Township did not provide an annual salary resolution or ordinance, Township Board minutes, or other documentation setting and approving the salaries of Township officers and employees during the engagement period.

Criteria

Indiana Code 36-6-6-10(c) states:

"The township legislative body shall fix the compensation of all officers and employees of the township. Compensation shall be established using an annual, monthly, or biweekly salary schedule. An elected township officer is not required to report hours worked and may not be compensated based on the number of hours worked."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

BANK ACCOUNT RECONCILIATIONS

A similar comment appeared in a Management Letter addressed to the Officials of Orleans Township for the Compliance period ending December 31, 2017.

Condition and Context

Depository reconciliations of the fund balances to the bank account balances were not conducted monthly during the engagement period. As a result, the December 31, 2021 ending cash and investments balance was \$1,629 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 Townships, Chapter 1)

ADOPTION OF INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B51614.

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; and . . ."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The same comment also appeared in prior Report B51614.

Condition and Context

The Township certified with the Annual Financial Report 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) 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 Trustee indicated that the Township had not adopted the minimum internal control standards and that all personnel had not received training concerning the 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](#)."

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
As of December 31, 2021

Fund	Cash and Investments 12-31-21
Township	\$ 16,386
Township Assistance	12,916
Rainy Day	750
Dog	123
Total	<u>\$ 30,175</u>

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

The contents of this report were communicated to Patrick D. Hall, Trustee, and Lori K. Dixon, Township Board member, on December 14, 2022.

Respectfully,



Beth Kelley, CPA, CFE
Deputy State Examiner

12-20-2022

Indiana State Board of Accounts

302 West Washington Street, Room E418

Indianapolis, IN 46204-2765

To whom it concerns.

This is in reply to the noncompliance issues addressed in the SBOA review of Orleans Township Trustee's Office for the date January 1, 2018 to December 31, 2021.

- 1) The adoption of internal Control Standards:
These were adopted in September 2022 and uploaded.
- 2) Certification of internal control standards:
This was complied with in September 30, 2022
- 3) Compensation and Benefits:
They are adopted each year in our first meeting of the year. They are noted in the minutes but are not on the correct form "township form #17"
- 4) Bank Account reconciliation:
We have for the past years been showing \$1573.22 over in our balance at the bank. I have discussed this with SBOA on how to fix this issue. I have not received an answer.

Patrick Hall

Trustee