



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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July 20, 2023

TO: THE OFFICIALS OF SAND CREEK TOWNSHIP, BARTHOLOMEW COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Sand Creek Township (Township), Bartholomew County, for the period of January 1, 2019 to December 31, 2022, 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***

***ANNUAL FINANCIAL REPORT - BEGINNING AND ENDING BALANCES***

***Condition and Context***

The Annual Financial Report for the year 2020 included the Township, Township Assistance, Fire Fighting, Rainy Day, and Levy Taxes funds with a beginning balance that was \$141,158 in total, more in total than the prior period ending balances. Beginning and ending balances should agree.

***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](#)."

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)

### ***ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS***

Similar comments also appeared in prior Report B55929, entitled *ADOPTION OF INTERNAL CONTROL STANDARDS 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. Additionally, 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 were 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."

### ***ANNUAL NEPOTISM AND CONTRACTING POLICIES***

The same comment also appeared in prior Report B55929.

#### *Condition and Context*

The Township did not present a Nepotism Policy or Contracting Policy for review for 2019, 2020, 2021, or 2022.

#### *Criteria*

Indiana Code 36-1-20.2-9 states:

"(a) This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter. However, the policy may:

- (1) include requirements that are more stringent or detailed than any provision in this chapter; and
- (2) apply to individuals who are exempted or excluded from the application of this chapter. The unit may prohibit the employment of a relative that is not otherwise prohibited by this chapter.

- (b) The annual report filed by a unit with the state board of accounts under IC 5-11-13-1 must include a statement by the executive of the unit stating whether the unit has implemented a policy under this chapter."

Effective July 1, 2012, all units are required to have a 'Nepotism' policy. This policy must discuss the employment of relatives. This statute provides requirements, but the unit can adopt more stringent requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Indiana Code 36-1-21-4(a) states: "This chapter establishes minimum requirements regarding contracting with a unit. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter . . ."

## **COMPENSATION AND BENEFITS**

The same comment also appeared in the prior Report B55929.

### *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 in part: "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. . . ."

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)

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, 2022

Fund	Cash and Investments 12-31-22
Township	\$ 66,383
Township Assistance	34,599
Fire Fighting	42,775
Rainy Day	6,363
Lew Excess	<u>415</u>
Total	<u>\$ 150,535</u>

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

The contents of this report were communicated to Sandra Bayles, Trustee, and David Skinner, Chair of the Township Board, on July 10, 2023.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner