



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B44702

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

January 16, 2015

TO: THE OFFICIALS OF OWEN TOWNSHIP, JACKSON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Owen Township (Township), for the period of January 1, 2010 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

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 for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://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.

Unresolved Comment From Prior Report

- *Social Security and Medicare taxes were not withheld from wages paid to the Township Board members during review period.*

Current Period Comments

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 2010, 2011, 2012, or 2013. As of December 31, 2013, the bank account reconciliation identified a cash short in the amount of \$757.80.*

- The records presented for review indicated the following disbursements in excess of budgeted appropriations.

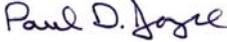
<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Township	\$ 1,054.46
2011	Township Assistance	2,574.32
2011	Fire Fighting	2,925.00
2012	Township Assistance	648.50

- Receipts were deposited later than the first and fifteenth of the month. Seventy percent of the deposits were not made timely.
- The Township did not adopt a resolution establishing salaries of Township officers and employees for the years 2010, 2011, 2012, and 2013.
- At the end of 2011, the Township telephone was disconnected and the Trustee began receiving a reimbursement for his personal telephone. He received reimbursement of \$720 in 2012 and 2013. There was no written agreement or other documentation to support the amount of this reimbursement.
- W-2s issued for 2011 were not presented for review.
- Payments made for mowing during 2010, 2011, 2012, and 2013 were not supported by written contracts.
- Several payments were observed which did not contain adequate supporting documentation such as invoices, and other public records. During 2010 and 2013, there was no supporting documentation for penalties paid to the Internal Revenue Service and Indiana Department of Revenue. In 2012, there was no supporting documentation for reimbursements of excess social security withholdings to the Trustee and Clerk totaling \$206.40.
- The Township paid penalties and interest to the Internal Revenue Service in the amount of \$197.33 and to the Indiana Department of Revenue in the amount of \$67.15. In addition, late payments totaling \$21 were made to Verizon and Frontier during 2010 and 2011 due to the Township not remitting payments on a timely basis.
- The Trustee was not properly bonded for 2010, 2011, 2012, and 2013.
- The Annual Report was not published in accordance with Indiana Code 36-6-4-13 for 2010 or 2012.
- The Annual Financial Report for 2010 was not filed electronically until March 12, 2011, which was 11 days past the due date. The Annual Financial Report for 2012 was not filed electronically until March 20, 2013, which was 19 days past the due date.
- The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010, 2011, or 2012. The 2010 report was filed on May 24, 2011, which was 113 days past the due date. The 2011 report was filed on February 14, 2012, which was 14 days past the due date. The 2012 report was filed on July 1, 2013, which was 152 days past the due date.

- *Payments were made using electronic transfer for tax preparation services without an approved policy for electronic payments.*
- *The Township did not have a Nepotism Policy for 2012 or 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012 and 2013.*
- *The Township did not have a Contracting Policy for 2012 or 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on May 5, 2014, with Franklin Fisher, Trustee.


Paul D. Joyce, CPA
State Examiner