



STATE OF INDIANA
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B44430

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November 7, 2014

TO: THE OFFICIALS OF MONROE TOWNSHIP, CLARK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Monroe 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 Comments from Prior Report

- *As reported in the prior report, the Township used an excel spreadsheet to record the financial activity of the Township in lieu of prescribed form, Financial and Appropriation Record (Form 1C). Form 1C has been prescribed as the control document to record all financial activity for a Township. The use of the excel spreadsheet continued during the years 2010, 2011, 2012, and 2013.*
- *The spreadsheets did not contain month and year to date totals for receipts and disbursements. Individual disbursement transactions were not recorded to the portion of the record utilized to monitor compliance with approved budgets.*

- *As reported in the prior report, the financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned. This condition continued during the years 2010, 2011, 2012, and 2013.*
- *As reported in the prior report, instances were noted where salaries were paid in advance of services. The Township paid the Trustee and Township Clerk in advance for 2010, 2011, 2012, and 2013. Salary payments were made at the beginning of each month and not at the end of each month after services were provided.*

Current Period Comments

- *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>
2010	Township	\$ 60,464.05
2010	Township Assistance	8,707.44
2010	Rainy Day	3,618.52
2012	Tornado	1,166.67

- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2010, 2011, 2012, and 2013. Form 17 (Resolution Establishing Salaries of Township Officers and Employees) has been prescribed for this purpose.*
- *Employees of the Township were paid without the Township withholding any applicable federal, state, and local taxes.*
- *Payments made for cemetery care to the Otisco Cemetery Association were not supported by a written contract. No evidence was on file that the Cemetery Association furnished a verified statement of assets and liabilities to the Township as required by Indiana Code 23-14-68-2.*
- *Minutes of the Township Board meetings were not presented for review for 2010, 2011, and most of 2012. Since the Township failed to present minutes of the meetings we were unable to verify if the Township Board met and performed its duties as required by Indiana Code 36-6-6-8.*
- *The Township did not have the required meeting to review and adopt the annual report in accordance with Indiana Code 36-6-6-9 for 2010, 2011, and 2012.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 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 December 31, 2013.*

- *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. The report was filed on April 25, 2011, which is 84 days past the due date.*

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 October 27, 2014, with James A. Bottorff, Trustee.


Paul D. Joyce, CPA
State Examiner