

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

SUPPLEMENTAL COMPLIANCE REPORT

OF

CALUMET TOWNSHIP

LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2014



FILED
08/06/2015

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Mary Elgin	01-01-11 to 12-31-14
	Kimberly K. Robinson	01-01-15 to 12-31-18
Chairman of the Township Board	Alex Cherry Jr.	01-01-11 to 12-31-12
	Ronald Matlock	01-01-13 to 12-31-14
	Clorius Lay	01-01-15 to 12-31-15



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF CALUMET TOWNSHIP, LAKE COUNTY, INDIANA

This report is supplemental to our examination report of Calumet Township (Township), for the period from January 1, 2011 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statements Examination Report of the Township, which provides our opinion on the Township's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 23, 2015

CALUMET TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS

INTERNAL CONTROL OVER RECEIPTS

The following deficiencies relating to accounting for receipts were noted:

1. Receipts were not individually recorded in the accounting system. The deposit amount was entered and assigned a deposit number by the computerized accounting system. Because individual receipt numbers were not recorded, we were unable to verify that all official receipts were properly accounted for.
2. The Township recorded the manual receipts based on the deposit to the bank instead of the receipts issued. Because receipts were not officially recorded at the time of the transaction changes could have been made to the deposit details, which would have gone undetected.
3. The employees of the North Annex did not issue receipts in numerical sequence. Also, collections were deposited up to 48 days after the receipt was written.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Guidelines Manual for Townships, Chapter 13)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Manual for Townships, Chapter 13)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BEREAVEMENT FUND

The Township maintained a separate bank account that was not included in the Township records. Deposits to the account were from revenue generated from soda machine sales and recycling items. Review of the check register indicated that the money was used for replenishing the soda machine, bereavement flowers and monetary gifts, retirement gifts, bicycles, television, Christmas decorations, and a popcorn machine. The account was subsequently closed in April 2015 and the balance deposited to the Township fund.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CALUMET TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

DISBURSEMENTS

Unreasonable/Excessive Cost

The Township rented oxygen tanks that were used by the Emergency Medical Service (EMS) and stored at the Multi-Purpose Center. When the EMS was dissolved, the oxygen tanks were returned to the vendor; however, the Township was unable to locate 60 of the oxygen tanks. As a result, the Township incurred an unnecessary cost of \$2,996.52 for the missing tanks.

Every effort should be made by the governmental unit to avoid unreasonable or excessive costs. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Contracts

Payments of \$94,480.23 from the City of Gary Grant and \$514.15 from the Civil fund totaling \$94,994.38 were made to a vendor for renovations and remodeling of the Multi-Purpose Center in 2013 and 2014 without a written contract.

The Township entered two annual contracts for financial and accounting support services in 2013 and 2014. The total amount of each contract was \$30,000 or a total of \$60,000 per year. One contract was paid from the Township fund and the other contract was paid from the Township Assistance fund. The monthly invoices were for a flat amount of \$5,000 (half paid from Township fund and half paid from Township Assistance fund). The invoices did not include a description of the services provided; therefore, we were unable to determine what types of services were provided relating to Township Assistance.

In 2014, the contractor was paid an additional \$8,583. An addendum to the contract describing the scope of additional services was not provided for examination.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CALUMET TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Lack of Supporting Documentation

During the test of credit card payments, we found that 14 percent of the charges were not supported by detailed invoices. Due to the lack of supporting information, we could not verify if the charges were for Township related purposes.

The payments for the renovation and remodeling of the Multi-Purpose Center work were based upon the contractor's initial proposal and not detailed invoices of work performed.

Payments for legal services were not supported by an itemized invoice.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

Travel

The Township paid \$65 per diem to the Trustee and employees when traveling on Township business. The per diem payments were paid in advance of the date of travel.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Use of Credit Cards

The Township had a policy for the use of credit cards issued in the name of the Township. However, the policy did not include the recommended guidelines of maintaining a log of authorized users or estimated amounts that could be charged.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.

CALUMET TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Penalties, Interest, and Other Charges

The Township paid penalties, interest, and other charges on credit card purchases in the amount of \$523.90 because payments were not remitted on a timely basis.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYROLL

Salary Resolution

The Township Board adopted Resolution No. 2013-2B establishing the salaries for 2014. The salaries were listed as lump sum amounts per the budget line items, such as: Other Assistants, \$288,000 or Case Managers/Investigators, \$606,500 or Other Assistants/full-p/t-temporary \$826,400. Since the salary resolution was not detailed by pay rates for specific positions, we were unable to verify if employees were paid according to the salary resolution.

For the years 2011-2013 the salary resolution adopted by the Township Board addressed all compensation as an annual salary by position which included employees who are paid at an hourly rate. Due to the fluctuation in number of hours an hourly employee may have worked, their actual annual compensation did not meet the annual salary adopted by the Township Board. As a result, we were unable to verify that the hourly employees were paid according to the salary resolution.

CALUMET TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 36-6-6-10 requires the township board to set the salaries; wages; rates of hourly pay; and remuneration other than statutory allowances of all township officials and employees, except assessing officials and employees, for the year 1985 and each year thereafter. However, please remember the township board should RECORD THE SALARIES SO FIXED IN THE TOWNSHIP BOARD MINUTES. A type of format for recording these salaries should be the existing format of Township Form No. 17. We recommend the board set the salaries of township officials and employees, in conjunction with the preparation and completion of the township budget. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Vacation and Sick Leave

Some employees were allowed paid vacation leave and sick leave in advance of earning such leave time.

The Township's policy states in part: "Employees may not take paid vacation until they have actually earned the vacation." The approved sick leave policy states: "Sick leave will not be advanced."

We noted instances where vacation leave was being carried over into the next year without documentation of approval by management.

The Township's policy states in part:

"Unused vacation may not be carried over to the next year. Special consideration to take vacation time beyond December 31st due to unforeseeable circumstances must be submitted in writing to the Trustee and/or Chief Deputy for their approval in a timely manner."

We noted instances where the Employee's Service Record indicated sick leave was being carried over into the next year.

The Township's approved sick leave policy states: "Employees will not be paid for or allowed to carry over unused sick days or personal business days."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Guidelines Manual for Townships, Chapter 13)

PRESCRIBED FORMS

As stated in the prior report, the Township implemented a new computerized accounting software system in 2006 to account for the financial activity of the Township. The forms generated by the new software have not been approved using the Indiana State Board of Accounts form approval procedures.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CALUMET TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

NEPOTISM AND CONTRACTING

The Trustee did not file an annual certification of compliance with the nepotism (IC 36-1-20.2) or contracting with a unit (IC 36-1-21) laws in 2013. The Trustee and Board members did not file an annual certification of compliance with the nepotism and contracting law in 2014.

Indiana Code 36-1-20.2-16 states:

"Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer has not violated this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

Indiana Code 36-1-21-6 states:

"Each elected officer of the unit shall annually certify in writing, subject to the penalties for perjury, that the officer is in compliance with this chapter. An officer shall submit the certification to the executive of the unit not later than December 31 of each year."

PUBLIC WORKS PROJECT

In 2013 and 2014, renovations and remodeling were made to the Multi-Purpose Center costing the Township \$94,995.38. A review of the proposals indicated that the entire project was separated into several smaller projects thus avoiding the statutory requirements for Public Works projects. The projects were not approved/awarded by the Board, specifications were not prepared, and there was no evidence that invitations for quotes were requested or obtained.

Indiana Code 36-1-12-4.7 states in part:

"(a) This section applies whenever a public work project is estimated to cost: . . .

at least fifty thousand dollars (\$50,000) and less than one hundred fifty thousand dollars (\$150,000); . . .

(b) The board must proceed under the following provisions:

- (1) The board shall invite quotes from at least three (3) persons known to deal in the class of work proposed to be done by mailing them a notice stating that plans and specifications are on file in a specified office. The notice must be mailed not less than seven (7) days before the time fixed for receiving quotes.
- (2) The board may not require a person to submit a quote before the meeting at which quotes are to be received. The meeting for receiving quotes must be open to the public. All quotes received shall be opened publicly and read aloud at the time and place designated and not before.
- (3) The board shall award the contract for the public work to the lowest responsible and responsive quoter."

CALUMET TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 36-1-12-19 states:

- "(a) For purposes of this section, the cost of a public work project includes the cost of materials, labor, equipment rental, and all other expenses incidental to the performance of the project.
- (b) The cost of a single public work project may not be divided into two (2) or more projects for the purpose of avoiding the requirement to solicit bids.
- (c) A bidder or quoter or a person who is a party to a public work contract who knowingly violates this section commits a Class A infraction and may not be a party to or benefit from any contract under this chapter for two (2) years from the date of the conviction.
- (d) Any board member or officer of a political subdivision or agency who knowingly violates this section commits a Class A infraction."

Indiana Code 36-1-12-9 states:

- "(a) The board, upon a declaration of emergency, may contract for a public work project without advertising for bids if bids or quotes are invited from at least two (2) persons known to deal in the public work required to be done.
- (b) The minutes of the board must show the declaration of emergency and the names of the persons invited to bid or provide quotes."

COMPUTER SOFTWARE CONTROLS

The Township used a computer software program to process payments of invoices. When entering information to generate checks, the software program allowed clerks to backdate checks. Clerks indicated they would backdate checks if the system "crashed" on the date that they normally process checks. We could not determine if checks could be backdated to closed accounting periods.

A similar comment was noted in the prior report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 14)

CAPITAL ASSET RECORDS

The Township recorded capital asset additions, but disposals were not always recorded. When the Township disposed of a capital asset, the cost of the asset should have been recorded in the records as deletions. In addition, the Township did not perform a periodic physical inventory of the capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

May 6, 2015

Mr. Paul D. Joyce, CPA
State Board of Accounts
302 West Washington Street
4th Floor, Room E418
Indianapolis, IN 46204-2765

RE: 2011-2014 Examination of Calumet Township

First and foremost, I had no opportunity to provide direction or participate in the audit that I am now being requested to respond to. I had no knowledge that the 2011 – 2014 examinations were being conducted until the examination was completed and I was asked to provide explanations/responses to the examination results and comments.

As a general note for each of the items identified, please know that before I left office, all of the documents, contracts, records, receipts, journals, bills, statements, registers, logs, invoices and accounting information that were needed to conduct a thorough examination of the Township's books and records were available and stored within the Finance department. An exception to this would be for the numerous financial, procedural and contractual files that were removed from the Township office beginning on March 27, 2014 by the federal authorities.

Responses

Internal Controls Over Receipts

1. During the years 2011 – 2014, the receipts were recorded into the accounting system on a batch basis with proper support documents attached to the batched entry.
2. During the year 2011 – 2014, the Township did not record receipts in the way that is described in this note. The process was as follows:
 - a. a check is received;
 - b. a receipt is written;
 - c. the checks are entered in the accounting system on a batch basis and the support for the batch is attached to the deposit information;
 - d. The checks were then scanned into the bank scanning machine;
 - e. On a monthly basis, a reconciliation of the bank statement was performed.
3. The process for North Annex receipts consisted of receiving rent from tenants. Issuing a receipt at the time of payment. Forwarding a copy of the check or money order to the Finance Department to record within the accounting records and deposit in the bank. Because I do not have the documentation relative to a deposit being made up to 48 days after receipt, I cannot provide an appropriate response to this issue.

Bereavement Fund

While information was not included within the accounting system, all of the documents, contracts, records, receipts, journals, bills, statements, registers, logs, and invoices were properly maintained and the funds were properly used for eligible Township expenses. However, an exception to this would be for the numerous financial, procedural and contractual files that were removed from the Township office beginning on March 27, 2014 by the federal authorities.

Disbursements

Unreasonable/Excessive Cost

Without having access to the documentation relative to the missing oxygen tanks and the payment of \$2,996.52, I cannot provide an appropriate response to this issue.

Contracts

As a general note for contracts, please know that before I left office, all of the documents, contracts, records, receipts, journals, bills, statements, registers, logs, invoices and accounting information that were needed to conduct a thorough examination of the Township's books and records were available and stored within the Finance department. An exception to this would be for the numerous financial, procedural and contractual files that were removed from the Township office beginning on March 27, 2014 by the federal authorities.

Because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

Lack of Supporting Documentation

As a general note for credit cards and legal services, please know that before I left office, all of the documents, contracts, records, receipts, journals, bills, statements, registers, logs, invoices and accounting information that were needed to conduct a thorough examination of the Township's books and records were available and stored within the Finance department. An exception to this would be for the numerous financial, procedural and contractual files that were removed from the Township office beginning on March 27, 2014 by the federal authorities.

Because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

Travel

As it relates to per diems for travel, this was not looked at as a good or service being provided by a vendor. Typically per diems are paid to employees the day before they travel or if travel occurs on a weekend or holiday, the payment was made on the last workday before the travel.

Use of Credit Cards

I concur that the policy be re-evaluated.

Penalties, Interest and Other Charges

As a general note for penalties, interest and other charges on credit card purchases, please know that before I left office, all of the documents, contracts, records, receipts, journals, bills, statements, registers, logs, invoices and accounting information that were needed to conduct a thorough examination of the Township's books and records were available and stored within the Finance department. An exception to this would be for the numerous financial, procedural and contractual files that were removed from the Township office beginning on March 27, 2014 by the federal authorities.

Because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

The only instance that I am aware of as it relates to a credit card payment being late and thus interest being charged relates to a dispute that Finance was having with the credit card company in December 2014. The dispute related to the credit card company claiming they had not received a township check. Our records indicated that a check had been issued and the vendor had been paid.

Payroll

Salary Resolution

As a general note for the salary resolution, please know that before I left office, all of the documents, contracts, records, receipts, journals, bills, statements, registers, logs, invoices and accounting information that were needed to conduct a thorough examination of the Township's books and records were available and stored within the Finance department. An exception to this would be for the numerous financial, procedural and contractual files that were removed from the Township office beginning on March 27, 2014 by the federal authorities.

Because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

However, for each of 12 years that I was Trustee, I presented a budget to the Board for approval, a Form PR-17 was included that detailed, by position, the annual salary of each position. I am not certain why this information was not provided to you by the Finance department during the examination.

Vacation and Sick Leave

Because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

Prescribe Forms

Because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

Nepotism and Contracting

At the end of 2013 and 2014, the board adopted resolutions certifying compliance with the nepotism in contracting laws. This was also certified via Gateway. I am not sure why the certifications were not provided by the current administration during the examination.

Public Works Project

There was no intent on my part to avoid any statutory requirements as it relates to Public Works Projects.

Computer Software Controls

Because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

Capital Asset Records

As a general note for capital asset records, please know that before I left office, all of the documents, contracts, records, receipts, journals, bills, statements, registers, logs, invoices and accounting information that were needed to conduct a thorough examination of the Township's books and records were available and stored within the Finance department. An exception to this would be for the numerous financial, procedural and contractual files that were removed from the Township office beginning on March 27, 2014 by the federal authorities.

However, because I do not have access to the records that are in question, it is very difficult to provide an adequate response to the questions/requests that is being asked/raised.

However, during my tenure, it was a practice to perform an inventory of the assets as least on an annual basis and to note on the capital asset records which of the assets had been disposed.

Mary Elgin, Former Trustee
Donna C. Frazier, Former Chief Deputy
Curtis Whittaker, Former CPA



Calumet Township Trustee

KIMBERLY K. ROBINSON

Lake County, Indiana

MAIN OFFICE
610 Connecticut Street
Gary, IN 46402
(219) 880-4000 Fax: (219) 880-1851

MULTI-PURPOSE CENTER
1900 West 41st Avenue
Gary, IN 46408
Main (219) 880-4900

NORTH ANNEX
487 Broadway
Gary, IN 46402
Main (219) 880-2202

April 28, 2015

OFFICIAL RESPONSE – CORRECTIVE ACTION PLAN

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Internal Control Over Receipts and Backdating

In response to the audit finding regarding internal control over receipts and backdating of checks, and various other problems related to an outdated and non-compliant accounting software system which we inherited from the previous administration, Calumet Township will be purchasing and implementing a State compliant accounting software later this year. This new software will be able to individually record receipts.

We have immediately implemented a policy that receipts must be issued in numerical sequence and collections deposited within 48 hours of receipts.

In addition the new system will be secured so that checks cannot be backdated into closed accounting periods.

Signed:

Calumet Township Trustee

Date:

5-6-2015

Calumet Township Board Members

ATTORNEY CLORIUS LAY ~ MARY ANN CANTY-REEDUS ~ DARREN WASHINGTON
Chairman Secretary



Calumet Township Trustee

KIMBERLY K. ROBINSON

Lake County, Indiana

MAIN OFFICE
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April 28, 2015

OFFICIAL RESPONSE – CORRECTIVE ACTION PLAN

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Bereavement Fund

In response to the audit finding regarding the existence of a fund not included in the township records, which we inherited from the previous administration, Calumet Township has closed the bank account and deposited the remaining funds into the Township Civil Fund.

Signed:

Calumet Township Trustee

Date:

5-6-2015

Calumet Township Board Members

ATTORNEY CLORIUS LAY ~ MARY ANN CANTY-REEDUS ~ DARREN WASHINGTON
Chairman Secretary



Calumet Township Trustee

KIMBERLY K. ROBINSON

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April 28, 2015

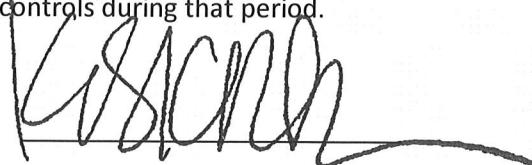
OFFICIAL RESPONSE – CORRECTIVE ACTION PLAN

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Unreasonable/Excessive Cost

In response to the audit finding regarding the rental of oxygen tanks and subsequent inability to find 60 of the tanks, those actions were under a previous administration. We are unable to comment further on the lack of controls during that period.

Signed:


Calumet Township Trustee

Date:

5-6-2015

Calumet Township Board Members

ATTORNEY CLORIUS LAY ~ MARY ANN CANTY-REEDUS ~ DARREN WASHINGTON
Chairman Secretary



Calumet Township Trustee

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April 28, 2015

OFFICIAL RESPONSE – CORRECTIVE ACTION PLAN

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Contracts and Supporting Documentation

In response to the audit finding regarding questions about contracts and supporting documentation, those actions were under a previous administration. We are unable to comment further on the lack of controls during that period.

In order to keep this from happening in the future, the finance department will not be authorized to release payment for vendor services without a signed contract reflecting an authorized amount to be paid, and invoices reflecting a description of services provided. In addition detailed invoices will be required for credit card payments, legal services, professional services, and financial services.

Signed:

Calumet Township Trustee

Date:

5-6-2015

Calumet Township Board Members

ATTORNEY CLORIUS LAY ~ MARY ANN CANTY-REEDUS ~ DARREN WASHINGTON
Chairman Secretary



Calumet Township Trustee

KIMBERLY K. ROBINSON

Lake County, Indiana

MAIN OFFICE
610 Connecticut Street
Gary, IN 46402
(219) 880-4000 Fax: (219) 880-1851

MULTI-PURPOSE CENTER
1900 West 41st Avenue
Gary, IN 46408
Main (219) 880-4900

NORTH ANNEX
487 Broadway
Gary, IN 46402
Main (219) 880-2202

April 28, 2015

OFFICIAL RESPONSE – CORRECTIVE ACTION PLAN

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Travel

In response to the audit finding regarding questions about travel related expenses, those actions were under a previous administration. We are unable to comment further on the lack of controls during that period, except to mention that this was the policy enacted by the township board.

We will be asking the township board to amend the travel expenses policy to eliminate pre-payment of per diem expenses.

Signed:

Calumet Township Trustee

Date:

5-6-2015

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State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Credit Card Use

In response to the audit finding regarding credit card use, those actions were under a previous administration. We are unable to comment further on the lack of controls during that period, except to mention that this was the policy enacted by the township board.

We have closed all credit cards which were available to employees, and will maintain only one credit card in the name of the Township Trustee. The Township Trustee can make that card available to an employee, and will immediately implement the use of a log to reflect approval of use for a specific purpose, budget, and fund. We will ask the township board to revise the credit card use policy to mirror these internal decisions.

Credit card payments will be made timely to eliminate late fees.

Signed:

Calumet Township Trustee

Date:

5-6-2015

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State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Salary Resolution

In response to the audit finding regarding our salary resolution process, those actions were under a previous administration. We are unable to comment further on the lack of controls during that period. In the fall of 2014 the Township Board determined not to adopt any salary resolution, nor a budget for that matter for 2015.

The Township Trustee will submit to the Township Board in the fall of 2015 a salary resolution that meets the requirements of IC 36-6-6-10 with detailed compensations by title and by fund for the 2016 Adopted Budget. This resolution will reiterate that no paid vacation nor sick leave can be paid in advance of earning the time, per our employment policy.

Signed:

Calumet Township Trustee

Date:

5-6-2015

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Re: Capital Assets

In response to the audit finding regarding the Township's capital assets, those actions were under a previous administration. We are unable to comment further on the lack of controls during that period. When we submitted our annual report for 2014, we noted our extreme lack of trust in the capital assets inventory we inherited from the previous administration.

The Township Trustee has requested a full inventory of current capital assets, as well as implemented immediately a policy for disposal of assets to be recorded immediately in the capital assets ledger.

Signed:

Calumet Township Trustee

Date:

5-6-2015

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State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Nepotism and Contracting

In response to the audit finding regarding the requirements for annual certification, those actions were under a previous administration. We understand the requirements and will be following the code going forward.

Signed:

Calumet Township Trustee

Date:

5-6-2015

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State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: Public Works Project

In response to the audit finding regarding the 2013 and 2014 public works projects, those actions were under a previous administration. We are unable to comment further on the lack of controls during that period.

Signed:

Calumet Township Trustee

Date:

5-6-2015

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CALUMET TOWNSHIP, LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2015, with Kimberly K. Robinson, Trustee; Dayna Bennett, Chief Deputy; Mary Ann Canty-Reedus, Township Board member; and Denise Roberts, Deputy Finance.

The contents of this report were sent on April 27, 2015, by certified mail, to Mary Elgin, former Trustee.