



STATE OF INDIANA

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B46596

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

July 14, 2016

TO: THE OFFICIALS OF POSEY TOWNSHIP, CLAY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Posey Township (Township), for the period of January 1, 2012 to December 31, 2015, 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 auditing standards generally accepted in the United States. 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.

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

- *Receipts were deposited later than the first and fifteenth of the month. In most cases, receipts were deposited in the same month of receiving; however, not by the first and fifteenth of the month. In one case a receipt was not deposited until the next month.*
- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2012 and 2015.*

Current Period Comments

- *The Township did not timely file a Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2015. The report was filed on February 5, 2016, which is five days past the due date.*

- *Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation contained errors or did not balance due to posting errors.*
- *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.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	Fire Fighting	\$ <u>1,270</u>

- *The Township paid \$7,185 of compensation in advance of the actual date the services were provided.*
- *The Certified Reports of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) was inaccurate. The 2012 100-R stated the Trustee's total compensation was \$6,719.04, but the Trustee actually was paid \$9,300 in 2012. The 2012 100-R stated the Clerk's total compensation was \$3,371.40, but the Clerk actually was paid \$4,650 in 2012. The 2013 100-R stated the Trustee's total compensation was \$6,744.84, but the Trustee actually was paid \$9,579 in 2013. The 2013 100-R stated the Clerk's total compensation was \$3,384.72, but the Clerk actually was paid \$4,790.04 in 2013.*
- *A 2012 payment of \$6,870 was observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.*
- *The Annual Report was not published in accordance with Indiana Code 36-6-4-13 for 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, 2013, 2014, and 2015.*
- *The Township did not have a Contracting Policy for 2012, 2013, 2014, or 2015.*
- *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, 2013, 2014, and 2015.*
- *Compensation paid to Board members was not in accordance with the salary resolution for 2012, 2013, 2014, and 2015. Each Board member was overpaid \$157.45 in total for the years of 2012, 2013, 2014, and 2015. The Township was reimbursed for each Board member's overpayment on April 27, 2016.*

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 April 26, 2016, with James A. Smith, Trustee.

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