



STATE OF INDIANA
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B46750

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August 11, 2016

TO: THE OFFICIALS OF HARRISON TOWNSHIP, MORGAN COUNTY, INDIANA

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

- *A Township assistance payment was made without an Application for Township Assistance on file or supporting documentation in 2013.*

Current Period Comments

- *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 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 not presented for review for 48 out of 48 months.*

- *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 Annual Financial Report filed on Gateway for 2015 did not agree with the ledger due to the ledger omitting the Levy Excess fund as shown below:*

| <u>Year</u> | <u>Fund</u> | <u>Category</u> | <u>Amount Per Gateway</u> | <u>Amount Per Township Ledger</u> | <u>Difference</u> |
|-------------|-------------|-----------------|-------------------------------|---------------------------------------|-------------------|
| 2015 | Levy Excess | End Bal | \$ 29.52 | \$ - | \$ 29.52 |

- *Receipts were deposited later than the first and fifteenth of the month. Receipts were deposited up to 22, 10, 5, and 6 days after the first and/or fifteenth of the month in 2012, 2013, 2014, and 2015.*
- *The Township Board did not fix the salaries of all officials for 2012, 2013, 2014, and 2015.*
- *The Township paid \$6,925 of compensation in advance of the actual date the services were provided.*
- *Employees of the Township were paid without the Township withholding federal, state, and local taxes in 2012, 2013, 2014, and 2015.*
- *W-2s were not issued for all Township employees in 2012, 2013, 2014, and 2015.*
- *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 2012.*
- *The Township did not have a Nepotism Policy for 2012 and 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, and 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.*
- *Payment was observed in 2015, which did not contain adequate supporting documentation, such as receipts, invoices, and other public records for payment of phone for Trustee.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1 for 2012, 2013, 2014, and 2015.*

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 June 2, 2016, with Harold Hinton, Trustee.

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