

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

COMPLIANCE REPORT

OF

FRANKLIN TOWNSHIP

WAYNE COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
01/06/2017



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Results and Comments:	
Optical Images of the Checks.....	4
Contracts .....	4
Approval of Salaries .....	4
Prescribed Forms .....	5
Annual Reports Not Published .....	5
Certification of Nepotism Policy.....	5
Certification of Contracting Policy.....	5
Exit Conference.....	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Don Berger John Roll	01-01-11 to 12-31-14 01-01-15 to 12-31-18
Chairman of the Township Board	Dale Spencer	01-01-12 to 12-31-16



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF FRANKLIN TOWNSHIP, WAYNE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Franklin Township (Township), for the period 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.

The 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.

The Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

November 30, 2016

FRANKLIN TOWNSHIP, WAYNE COUNTY  
RESULTS AND COMMENTS

**OPTICAL IMAGES OF THE CHECKS**

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.

Indiana Code 5-15-5.1-10(a) states in part:

"Each . . . local government shall:

- (1) Make and preserve records containing adequate and proper documentation of . . . essential transactions of the . . . local government to protect the legal and financial rights of the government . . ."

Indiana Code 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information se in the record after it was first generated in its final form as an electronic record or otherwise; and
- (2) remains accessible for later reference. . . .

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

**CONTRACTS**

Payments made for mowing were not supported by written contracts in 2012, 2013, 2014, and 2015.

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)

**APPROVAL OF SALARIES**

The Township Board did not fix the salaries of Township officers and employees for 2013 and 2015.

Indiana Code 36-6-6-10(b) states in part:

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay . . .

of all officers and employees of the township."

FRANKLIN TOWNSHIP, WAYNE COUNTY  
RESULTS AND COMMENTS  
(Continued)

***PRESCRIBED FORMS***

It could not be determined if wages reported on the W-2 agreed with the actual amounts paid to employees since Employee's Earnings Records (General Form 99B) were not maintained.

The Employee's Earnings Record is to be used for each officer and employee receiving payment for services rendered from the township. The posting information is to be taken from the tear strip on Check Form 6 and provides a proof of payments made for the year, in addition to accumulating amounts withheld from salaries and wages for taxes, social security, PERF, etc. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

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)

***ANNUAL REPORTS NOT PUBLISHED***

The Annual Reports were not published in accordance with Indiana Code 36-6-4-13 for 2012, 2013, 2014, and 2015.

Indiana Code 36-6-4-13(b) states:

"Within four (4) weeks after the third Tuesday following the first Monday in February, the executive shall publish the abstract prescribed by subsection (a) in accordance with IC 5-3-1. The abstract must state that a complete and detailed annual report and the accompanying vouchers showing the names of persons paid money by the township have been filed with the county auditor, and that the chairman of the township legislative body has a copy of the report that is available for inspection by any taxpayer of the township."

***CERTIFICATION OF NEPOTISM POLICY***

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.

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."

***CERTIFICATION OF CONTRACTING POLICY***

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.

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."

FRANKLIN TOWNSHIP, WAYNE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on November 30, 2016, with John Roll, Trustee.