



STATE OF INDIANA
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B46514

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June 27, 2016

TO: THE OFFICIALS OF HARRISON TOWNSHIP, CLAY 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.

- *There were not any minutes of meetings of the governing body presented for review for 2012 and 2013.*
- *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 and 2013.*
- *Depository reconciliations of the fund balances to the bank account balances were not presented for review for 48 out of 48 months. Bank statements were not presented for review for 2012, 2013, and 2014.*
- *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 2012 did not match the Township's records.*

<u>Year</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2012	Park & Recreation	Receipts	\$ 48,823.57	\$ 48,923.57	\$ 100.00
2012	Park & Recreation	Disb	25,433.59	25,533.59	100.00

- *Township Assistance payments were made without an Application for Township Assistance on file. Township Assistance application and supporting documentation was not presented for review for 2012 and 2013.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The Township Board did not fix the salaries of Township officers and employees for 2012, 2013, and 2015.*
- *W-2s were not issued for all Township employees for 2012 and 2013.*
- *Payments made for mowing in 2012, 2013, 2014, and 2015 were not supported by a written contract. In addition, payments were made in 2012 and 2013 for fire protection without a supporting written contract.*
- *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>
2014	General	\$ 8,081.71
2014	Township Assistance	3,221.37

- *The Township did not have a Nepotism Policy for 2012, 2013, and 2014.*
- *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, and 2014.*
- *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, and 2014.*

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 21, 2016, with Robert M. Fowler, Trustee.

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