

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

SPECIAL INVESTIGATION REPORT

OF

KEYSER TOWNSHIP

DEKALB COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
12/16/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Clinton Lay	01-01-11 to 12-31-18
Chairman of the Township Board	Suzanne Hurd	01-01-12 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF KEYSER TOWNSHIP, DEKALB COUNTY

We have conducted a special investigation of the records of Keyser Township for the period from January 1, 2012 to December 31, 2015. Our investigation was limited to all records applicable to disbursements to the Township Trustee. The purpose of our investigation was to determine if the accountability for cash and other assets are satisfactory and that the transactions related thereto are in compliance with the laws and regulations of the State of Indiana. The results of our investigation are fully described in the Special Investigation Results and Comments and Summary of Charges as listed in the Table of Contents. This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

Any Official Response included herein this report has not been examined or verified for its accuracy.

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

September 29, 2016

KEYSER TOWNSHIP, DEKALB COUNTY  
SPECIAL INVESTIGATION RESULTS AND COMMENTS

***UNDOCUMENTED DISBURSEMENTS***

The Township issued nine checks totaling \$1,105.43 to Clinton Lay (Lay), Trustee, or his wife for which no supporting documentation was provided.

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Townships Chapter 13)

We requested Lay reimburse Washington Township \$1,105.43 for undocumented disbursements. (See Summary of Charges, page 6)

***INTERNAL CONTROLS RELATED TO TOWNSHIP DISBURSEMENTS***

The Township has failed to implement the controls necessary to insure the proper disbursement of Township funds. No review or control procedures have been implemented to insure the validity of the disbursements for authorized purposes.

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)

***ADDITIONAL SPECIAL INVESTIGATION COSTS***

The State of Indiana incurred additional costs, in the amount of \$750.87, due to the special investigation of disbursements to the Trustee.

Audit costs incurred because of theft and shortage may be the personal obligation of the responsible official or employee.

We requested Lay reimburse the State of Indiana \$750.87 for additional special investigation costs. (See Summary of Charges, page 6)

KEYSER TOWNSHIP, DEKALB COUNTY  
EXIT CONFERENCE

The contents of this letter were discussed on September 29, 2016, with Clinton Lay, Trustee; Gloria Didion, Deputy Trustee; and Suzanne Herd, Chairman of the Township Board.

KEYSER TOWNSHIP, DEKALB COUNTY  
SUMMARY OF CHARGES

	Charges	Credits	Balance Due
Clinton Lay, Trustee:			
Undocumented Disbursements, page 4	\$ 1,105.43	\$ -	\$ 1,105.43
Additional Special Investigation Costs, page 4	750.87	-	750.87
	\$ 1,856.30	\$ -	\$ 1,856.30

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

AFFIDAVIT

STATE OF INDIANA )  
Grant COUNTY )

I, Stephen R. Poor, Special Investigator, being duly sworn on my oath, state that the foregoing report based on the official records as described in our letter to the officials of the Keyser Township, DeKalb County, Indiana, for the period from January 1, 2012 to December 31, 2015, is true and correct to the best of my knowledge and belief.

Steph R. Poor  
Special Investigator

Subscribed and sworn to before me this 12<sup>th</sup> day of December, 2015.

April Legare  
Notary Public

My Commission Expires \_\_\_\_\_  
County of Residence: \_\_\_\_\_

