

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

SPECIAL INVESTIGATION REPORT

OF

WASHINGTON TOWNSHIP

ALLEN COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
01/25/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Special Investigation Results and Comments:	
Penalties, Interest, and Other Charges	4
Internal Controls Related to Township Disbursements	4
Additional Special Investigation Costs	4
Exit Conference.....	5
Summary of Charges	6

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Robert Arnold	01-01-11 to 12-31-18
Chairman of the Township Board	Abner Crosby	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

TO: THE OFFICIALS OF WASHINGTON TOWNSHIP, ALLEN COUNTY

We have conducted a special investigation of the records of Washington Township (Township) for the period from January 1, 2012 to December 31, 2015. Our investigation was limited to all records applicable to disbursements to the 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.

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

May 25, 2016

WASHINGTON TOWNSHIP, ALLEN COUNTY
SPECIAL INVESTIGATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

The Township paid penalties, interest, and other charges to various vendors in the amount of \$2,289.38 because the Trustee did not remit payments to vendors on a timely basis.

Similar comments have appeared in prior reports.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

We requested Robert Arnold (Arnold), Trustee, to reimburse the Township \$2,289.38 for penalties, interest, and other charges. He reimbursed to the Township \$2,289.38 on May 24, 2016. (See Summary of Charges, page 6)

INTERNAL CONTROLS RELATED TOWNSHIP DISBURSEMENTS

The Township failed to implement the controls necessary to insure the proper disbursement of Township funds. No review or control procedures were 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. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 \$1,960.61, due to the special investigation of disbursements by the Trustee.

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

We requested Arnold to reimburse the State of Indiana \$1,960.61 for additional special investigation costs. He reimbursed to the State of Indiana \$1,960.61 on June 1, 2016. (See Summary of Charges, page 6)

WASHINGTON TOWNSHIP, ALLEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 25, 2016, with Robert Arnold, Trustee, and Abner Crosby, Chairman of the Township Board.

WASHINGTON TOWNSHIP, ALLEN COUNTY
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Robert Arnold, Trustee:			
Penalties, Interest, and Other Charges, page 4	\$ 2,289.38	\$ 2,289.38	\$ -
Additonal Special Investigation Costs, page 4	<u>1,960.61</u>	<u>1,960.61</u>	<u>-</u>
Totals	<u>\$ 4,249.99</u>	<u>\$ 4,249.99</u>	<u>\$ -</u>