

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

COMPLIANCE REPORT  
OF  
HARRISON TOWNSHIP  
SPENCER COUNTY, INDIANA  
January 1, 2012 to December 31, 2015



**FILED**  
03/09/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Beverly Mehling (Vacant) Beth Hoffman	01-01-11 to 12-13-12 12-14-12 to 12-31-12 01-01-13 to 12-31-18
Chairman of the Township Board	Eugene Peters	01-01-12 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF HARRISON TOWNSHIP, SPENCER 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), Spencer County, 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

January 23, 2017

HARRISON TOWNSHIP, SPENCER COUNTY  
RESULTS AND COMMENTS

**CASH RECONCILEMENTS**

Depository reconciliations of the fund balances to the bank account balances were not presented for any of the months in 2012. In 2014 and 2015, the depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation contained errors or did not balance with the records. Almost all of the reconciliation in 2014 and 2015 only included an outstanding checklist and did not show the bank and investment balances reconciled to the Total All Funds cash balance. These reconciliations did not include the monthly investment balances which were included in the cash and investment balances on the records.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

**OPTICAL IMAGE OF 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 26-2-8-111(a) states:

"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 set forth 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."

**APPROVAL OF SALARIES**

The Township Board did not fix the salaries of the Township officials and employees for the year 2012.

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

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages . . .

of all officers and employees of the township. . . ."

HARRISON TOWNSHIP, SPENCER COUNTY  
RESULTS AND COMMENTS  
(Continued)

**ADVANCE PAYMENTS**

In 2012, 2013, and 2014, the Township paid compensation to the Trustee in advance of the actual date the services were provided. The Trustee was paid her salary on a quarterly basis which was paid during the first week of the last month of the quarter, instead of at the end of the month. In 2015, the Township began paying the Trustee's compensation on a monthly basis which was paid between the first and the seventh of each month, instead of at the end of the month.

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

**CERTIFICATION BY ELECTED OFFICIALS - NEPOTISM POLICY**

Each elected officer did not certify in writing that the officer had not violated the Township's Nepotism Policy 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 BY ELECTED OFFICIALS - CONTRACTING WITH A UNIT POLICY**

Each elected officer did not certify in writing that the officer had not violated the Township's 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."

**CERTIFIED REPORT OF COMPENSATION OF OFFICERS AND EMPLOYEES**

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) for 2014 was not filed with the Indiana State Board of Accounts until February 7, 2015, which was seven days past the due date.

Indiana Code 5-11-13-1(a) states in part:

"Every state, county, city, town township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

HARRISON TOWNSHIP, SPENCER COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on January 23, 2017, with Beth Hoffman, Trustee.