

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

COMPLIANCE REPORT

OF

HUFF TOWNSHIP

SPENCER COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
03/27/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Results and Comments:	
Bank Account Reconciliations	4
Approval of Salaries	4
Failure to Enter into Contracts	4
Failure to Establish Township Assistance Standards.....	5
Insufficient Official's Bond.....	5
Nepotism Policy	6
Annual Nepotism Certification	6
Contracting Policy.....	6
Annual Contracting Policy Certification	6
Late Filing of Form 100-R.....	6
Exit Conference.....	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Leonard J. Wittman	01-01-11 to 12-31-18
Chairman of the Township Board	Dirk Stein David Lautner	01-01-12 to 12-31-14 01-01-15 to 12-31-17



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 HUFF TOWNSHIP, SPENCER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Huff 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

February 9, 2017

HUFF TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination for any of the months in 2012, 2013, 2014, and 2015.

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."

As of December 31, 2015, the total of the individual funds' cash balances did not agree with the Total All Funds cash balance. The total cash balance of the individual funds was \$156.22 less than the Total All Funds cash balance.

In reviewing the financial transactions in the Townships Ledger, the following errors were noted which accounted for some of the difference: (1) there was an unidentified difference of \$183.67 prior to January 1, 2012, (2) mathematical errors, and (3) payroll taxes withholdings not posted properly.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Township, Chapter 1)

APPROVAL OF SALARIES

The Township Board did not establish the salaries of the Township officials and employees for the years 2012, 2013, 2014, and 2015.

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. . . ."

FAILURE TO ENTER INTO CONTRACTS

Payments made for cemetery mowing were not supported by a written contract.

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 1)

HUFF TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

FAILURE TO ESTABLISH TOWNSHIP ASSISTANCE STANDARDS

For 2012, 2013, 2014, and 2015, the Township did not establish Township Assistance Standards as required by state statute.

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationally, or gender of the applicant or any member of the applicant's household.

(b) The township's standards for the issuance of township assistance and the processing of applications must be:

- (1) governed by the requirements of this article;
- (2) proposed by the township trustee, adopted by the township board, and filed with the board of county commissioners;
- (3) reviewed and updated annually to reflect changes in the cost of basic necessities in the township and changes in the law;
- (4) published in a single written document, including addenda attached to the document; and
- (5) posted in a place prominently visible to the public in all offices of the township trustee where township applications are taken or processed."

INSUFFICIENT OFFICIAL'S BOND

The Trustee's Surety Bond was insufficient for 2012, 2013, 2014, and 2015. The coverage obtained was \$15,000 which was below the statutory amount of not less than \$30,000.

Indiana Code 5-4-1-18(c) states in part:

"Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000).
..."

HUFF TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

NEPOTISM POLICY

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

Indiana Code 36-1-20.2-9(a) states: "This chapter establishes minimum requirements regarding employment of relatives. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter."

ANNUAL NEPOTISM CERTIFICATION

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."

CONTRACTING POLICY

The Township did not have a Contracting Policy for 2012, 2013, and 2014.

Indiana Code 36-1-21-4(a) states: "This chapter establishes minimum requirements regarding contracting with a unit. The legislative body of the unit shall adopt a policy that includes, at a minimum, the requirements set forth in this chapter."

ANNUAL CONTRACTING POLICY CERTIFICATION

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."

LATE FILING OF FORM 100-R

The Township did not timely file the Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2014. The report was filed on February 26, 2015, which is 26 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."

HUFF TOWNSHIP, SPENCER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 9, 2017, with Leonard J. Wittman, Trustee, and Maria I. Wittman, Deputy.