

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

COMPLIANCE REPORT
OF
FRANKLIN TOWNSHIP
MONTGOMERY COUNTY, INDIANA
January 1, 2012 to December 31, 2016



FILED
05/25/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Kay Anderson	01-01-11 to 12-31-18
Chairman of the Township Board	Robert Hole	01-01-12 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF FRANKLIN TOWNSHIP, MONTGOMERY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Franklin Township (Township), Montgomery County, for the period January 1, 2012 to December 31, 2016, 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.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

March 9, 2017

FRANKLIN TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS

DEPOSITORY RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for the period January 1, 2012 to June 30, 2012.

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."

ANNUAL REPORT ERRORS

The Annual Financial Report (AFR) filed on Gateway for 2012 did not match the Township's records as shown below:

Year	Fund	Category	Amount per AFR	Amount per Township Ledger	Difference
2012	Cumulative Fire	Beginning Balance	\$ 53,216.32	\$ 53,606.38	\$ (390.06)
2012	Cumulative Fire	Receipts	10,631.08	10,130.71	500.37

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

APPROPRIATIONS

The records presented indicated the following disbursements in excess of budgeted appropriations:

Year	Fund	Excess Amount Disbursed
2016	Darlington Fire Territory General Fire Fund	\$ 189

Indiana Code 6-1.1.18-4 states: "Except as otherwise provided in this chapter, the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

APPROVAL OF SALARIES

The Township Board did not establish the salaries of Township officers and employees in 2012, 2013, 2014, 2015, or 2016.

FRANKLIN TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS
(Continued)

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

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay; and
- (4) remuneration other than statutory allowances;

of all officials and employees of the township."

CONTRACTS

Payments made for fire protection, for 2014, were not supported by a written contract.

Payments made or received for contractual services must 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)

TOWNSHIP ASSISTANCE STANDARDS

The Township Board did not establish Township Assistance Standards in 2012, 2013, 2014, 2015, or 2016.

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, nationality, 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 assistance applications are taken or processed."

FRANKLIN TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS
(Continued)

BOARD MINUTES

Minutes of meetings of the Township Board were not presented for 2012. The minutes were not approved in 2013, 2014, 2015, or 2016.

Indiana Code 36-6-6-8 states:

"The legislative body shall keep a permanent record of its proceedings in a book furnished by the executive. The secretary of the legislative body shall, under the direction of the legislative body, record the minutes of the proceedings of each meeting in full and shall provide copies of the minutes to each member of the legislative body before the next meeting is convened. After the minutes are approved by the legislative body, the secretary of the legislative body shall place the minutes in the permanent record book. The chairman of the legislative body shall retain the record in his custody."

REVIEW AND APPROVAL OF ANNUAL REPORT

The Township did not have the required meeting to review and adopt the Annual Report for 2012 or 2014.

Indiana Code 36-6-6-9(a) states: "The legislative body shall meet on or before the third Tuesday after the first Monday in February of each year. At this meeting it shall consider and approve, in whole or in part, the annual report of the executive presented under IC 36-6-4-12."

NEPOTISM CERTIFICATION

Each elected officer did not annually certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2013, 2014, 2015, or 2016.

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 CERTIFICATION

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, 2013, 2014, 2015, or 2016.

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."

FRANKLIN TOWNSHIP, MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 9, 2017, with Kay Anderson, Trustee.