

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

COMPLIANCE REPORT

OF

KENT TOWNSHIP

WARREN 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	Kerri Thurman	01-01-11 to 12-31-18
Chairman of the Township Board	Theresa Hardesty Jill Bahrns	01-01-12 to 12-31-16 01-01-17 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF KENT TOWNSHIP, WARREN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Kent Township (Township), Warren 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 16, 2017

KENT TOWNSHIP, WARREN COUNTY  
RESULTS AND COMMENTS

***ANNUAL FINANCIAL REPORT***

The Annual Financial Report filed on the Gateway excluded investment balances of \$5,000 and \$1,212 for the Township fund and Cemetery fund, respectively. Furthermore, the Cemetery fund's cash and investment transactions were reported with the activity of the Township fund.

The Township Board did not have the required meetings to review and adopt the Annual Report in accordance with Indiana Code 36-6-6-9 in 2014 and 2015.

Indiana Code 36-6-6-9(a) states in part: "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."

***DISBURSEMENTS IN EXCESS OF APPROPRIATIONS***

In 2015, the Firefighting fund disbursements exceeded budgeted appropriations by \$1,600.

Indiana Code 6-1.1-18-4 states in part: ". . . 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 for 2012 through 2014.

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 officers and employees of the township."

***FAILURE TO ENTER INTO CONTRACTS***

Payments made for mowing and cemetery care were not supported by written contracts.

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

KENT TOWNSHIP, WARREN COUNTY  
RESULTS AND COMMENTS  
(Continued)

***DONATIONS***

The Township donated \$150 and \$200 in 2012 through 2014 to "MAC" Van and the Senior Center, respectively. In 2015 and 2016, the Township increased the donations to \$250 each.

Public funds cannot be donated or given to other organizations or individuals unless specifically authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

***TOWNSHIP ASSISTANCE DISBURSEMENTS***

Township assistance was paid which was not supported by vendor invoices and/or purchase orders signed by the vendor indicating amounts paid or due. Supporting documentation for payment of utilities included either handwritten notes or email correspondence with employees of the utilities confirming the client was delinquent on the account.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

***TOWNSHIP ASSISTANCE STANDARDS***

The Township Board did not establish Township Assistance Standards.

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."

KENT TOWNSHIP, WARREN COUNTY  
RESULTS AND COMMENTS  
(Continued)

**OFFICIAL BOND**

The Trustee did not obtain an individual Surety Bond covering the examination period.

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

"Except as provided in subsection (b), (c), and (d), the following individuals shall file and maintain in place an individual surety bond during each year that the individual serves as an officer, employee, or contractor: . . .

(4) Township trustees. . . ."

**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 of each year examined.

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 AND CERTIFICATION**

The Township did not have a Contracting Policy for 2012 through 2015.

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 of each year.

Indiana Code 36-1-21-4(a) states in part: "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. . . ."

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."

KENT TOWNSHIP, WARREN COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2017, with Kerri Thurman, Trustee.