

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

COMPLIANCE REPORT

OF

CLARK TOWNSHIP

MONTGOMERY COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
06/08/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Steven Troy Elless Madonna Light	01-01-12 to 12-31-14 01-01-15 to 12-31-17
Chairman of the Township Board	Scott Lowe Larry Burnett	01-01-12 to 12-31-14 01-01-15 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

April 19, 2017

CLARK TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS

DEPOSITORY RECONCILIATIONS

A depository reconciliations of the fund balances to the bank account balances was not presented for December 31, 2014.

Depository reconciliations of the fund balances to the bank account balances were conducted as of December 31, 2012 and 2013; however, the reconciliation did not balance.

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 an optical image of only the front side of the check. The back side or endorsement side of the check was not returned.

Indiana Code 5-15-5.1-10(a) states in part:

"Each . . . local government shall:

- (1) Make and preserve records containing adequate and proper documentation of . . . essential transactions of the . . . local government to protect the legal and financial rights of the government . . ."

Indiana Code 26-2-8-111 states in part:

"(a) 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. . . .

(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a). . . ."

ANNUAL FINANCIAL REPORT ERRORS

The Annual Financial Report (AFR) filed on Gateway for 2012, 2013, 2014, and 2016 did not match the Township's records.

CLARK TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS
(Continued)

Years	Fund	Category	Amount per AFR	Amount per Township Ledger	Difference
2012	Township	Receipts	\$ 578.92	\$ 580.84	\$ (1.92)
2012	Fire Fighting	Receipts	15,652.33	15,453.34	198.99
2012	Cumulative Fire	Receipts	8,669.84	8,671.87	(2.03)
2012	Township	Disbursements	15,116.10	14,972.04	144.06
2012	Fire Fighting	Disbursements	16,581.91	15,235.93	1,345.98
2012	Levy Excess	Disbursements	199.00	-	199.00
2012	Township	Ending Balance	73,361.86	73,643.70	(281.84)
2012	Fire Fighting	Ending Balance	41,647.47	41,448.47	199.00
2012	Cumulative Fire	Ending Balance	21,907.59	21,909.62	(2.03)
2012	Levy Excess	Ending Balance	-	199.00	(199.00)
2013	Township	Ending Balance	59,301.40	59,492.84	(191.44)
2013	Fire Fighting	Ending Balance	40,604.51	40,609.51	(5.00)
2014	Township	Receipts	19,094.13	17,021.02	2,073.11
2014	Township Assistance	Receipts	-	10,065.57	(10,065.57)
2014	Township	Ending Balance	63,819.39	53,736.98	10,082.41
2014	Township Assistance	Ending Balance	38,082.02	48,538.17	(10,456.15)
2014	Fire Fighting	Ending Balance	45,045.49	47,014.93	(1,969.44)
2014	Cumulative Fire	Ending Balance	36,538.91	35,538.91	1,000.00
2016	Fire Fighting	Beginning Balance	33,260.00	31,009.82	2,250.18
2016	Park & Recreation	Beginning Balance	33,994.71	36,244.89	(2,250.18)
2016	Payroll	Receipts	1,160.78	1,898.98	(738.20)
2016	Fire Fighting	Ending Balance	37,451.86	35,201.68	2,250.18
2016	Payroll	Ending Balance	129.19	867.39	(738.20)
2016	Park & Recreation	Ending Balance	34,419.02	36,669.20	(2,250.18)

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 reported required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

DEPOSITS

Receipts were deposited later than the first and fifteenth of the month. A COIT distribution received March 3, 2016, was not deposited until April 4, 2016.

Indiana Code 5-13-6-1(c) states in part: ". . . The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. . . ."

APPROVAL OF SALARIES

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

CLARK TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS
(Continued)

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."

W-2 FORMS

Employer copies of W-2s issued were not presented for 2012 or 2013.

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 reported required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONTRACTS

Payments for cemetery care were not supported by a written contract in 2012, 2013, and 2014.

Payments made for Fire Protection in 2013 and 2015 did not comply with the amount in the written contract.

Payments made or received for contractual services should 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)

FAILURE TO ESTABLISH TOWNSHIP ASSISTANCE STANDARDS

The Township Board did not establish Township Assistance Standards for 2012, 2013, 2014, and 2016.

Indiana Code 12-20-5.5-1(b) states:

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

CLARK TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS
(Continued)

- (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."

BOARD MINUTES

Minutes of meetings of the governing body were not approved by the governing board.

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."

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, 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 WITH A UNIT 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, 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."

CLARK TOWNSHIP, MONTGOMERY COUNTY
RESULTS AND COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT FILED LATE

The Annual Financial Report for 2012 was not filed electronically until May 13, 2013, which was 43 days past the due date.

Indiana Code 5-11-14(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically . . ."

CLARK TOWNSHIP, MONTGOMERY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 19, 2017, with Madonna Light, Trustee.