

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

OHIO TOWNSHIP

SPENCER COUNTY, INDIANA

January 1, 2012 to December 31, 2015



FILED
06/16/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Brian Burns	01-01-11 to 12-31-18
Chairman of the Township Board	Lee Frobeter	01-01-12 to 12-31-13
	Robert Lindsey	01-01-14 to 12-31-14
	Lee Frobeter	01-01-15 to 12-31-15
	Kyle Wilkerson	01-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF OHIO TOWNSHIP, SPENCER COUNTY, INDIANA

This report is supplemental to our examination report of Ohio Township (Township), Spencer County, for the period from January 1, 2012 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statements of the Township, which provides our opinion on the Townships financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination 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 Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 20, 2017

OHIO TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS

IMPROVEMENTS TO PROPERTY NOT OWNED BY TOWNSHIP

The Township paid for the construction cost of a new softball field, concession stand, and bleachers at the City Park owned by the City of Rockport. Total expenditures for these items from January 1, 2012 to December 31, 2015, were \$96,385.34 and paid from the Park And Recreation Fund. The Township did not enter into an inter-local agreement with the City of Rockport to make the improvements to the City Park.

Indiana Code 36-1-7-3(a) states in part:

"An agreement under this section must provide for the following:

- (1) Its duration.
- (2) Its purpose.
- (3) The manner of financing, staffing, and supplying the joint undertaking and of establishing and maintaining a budget therefor.
- (4) The methods that may be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon partial or complete termination.
- (5) Administration through:
 - (A) a separate legal entity, the nature, organization, composition, and powers of which must be provided; or
 - (B) a joint board composed of representatives of the entities that are parties to the agreement, and on which all parties to the agreement must be represented.
- (6) The manner of acquiring, holding, and disposing of real and personal property used in the joint undertaking, whenever a joint board is created under subdivision (5)(B).
..."

PAYMENTS TO BOARD MEMBER

Payments were made in 2012 and 2015 in the amounts of \$8,500 and \$600, respectively, to a Board member for excavating services at the Rockport City Park ball field and at the Township office. Supporting documentation, such as invoices or receipts to substantiate the services paid by the Township, were not presented. Also, there was no conflict of interest disclosure statement filed or a written contract detailing the services to be performed. Payments to the Board member were not reported by the Township on Internal Revenue Service Form W-2 or Form 1099-MISC.

Indiana Code 35-44.1-1-4 states in part:

". . . (b) A public servant who knowingly or intentionally:

- (1) has a pecuniary interest in; or

OHIO TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

(2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony.

(c) It is not an offense under this section if any of the following apply: . . .

(6) A public servant makes a disclosure that meets the requirements of subsection (d)
. . .

(d) A disclosure must:

(1) be in writing;

(2) describe the contract or purchase to be made by the governmental entity;

(3) describe the pecuniary interest that the public servant has in the contract or purchase;

(4) be affirmed under penalty of perjury;

(5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;

(6) be filed within fifteen (15) days after final action on the contract or purchase with:

(A) the state board of accounts . . ."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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)

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

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)

MOWING CONTRACTS

Payments totaling \$8,050 for firehouse mowing services during 2012, 2013, 2014, and 2015 were not supported by a written contract.

OHIO TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

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)

CERTIFIED REPORT (FORM 100-R) ERRORS

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) was inaccurate for 2012. Errors in reporting compensation ranged from underreporting by \$737.69 to over-reporting by \$5,323.93.

Indiana Code 5-11-13-1 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. . . ."

TOWNSHIP ASSISTANCE STANDARDS

The Township Board did not establish Township Assistance Standards in accordance with Indiana Code 12-20-5.5-1.

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:

- (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."

OFFICIAL BOND

The Township Trustee's Surety Bond was insufficient per the Indiana Code. The Trustee's official bond was for \$25,000 for 2012, 2013, 2014, and 2015.

OHIO TOWNSHIP, SPENCER COUNTY
RESULTS AND COMMENTS
(Continued)

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

- " . . . (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. . . ."

NEPOTISM CERTIFICATION

Each elected officer did not certify in writing by December 31, 2012, 2013, 2014, and 2015, that the officer had not violated Indiana Code 36-1-20.2 (Nepotism).

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 by December 31, 2012, 2013, 2014, and 2015, that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit).

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."

OHIO TOWNSHIP, SPENCER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2017, with Brian Burns, Trustee; Lee Frobeter, Board member; Robert Lindsey, Board member; and Shirley Richards, Township Clerk.