

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

COMPLIANCE REPORT
OF
RANDOLPH TOWNSHIP
TIPPECANOE COUNTY, INDIANA
January 1, 2011 to December 31, 2015



FILED
06/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Marcella Maynard	01-01-11 to 12-31-18
Chairman of the Township Board	Daniel Korty	01-01-11 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF RANDOLPH TOWNSHIP, TIPPECANOE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Randolph Township (Township), Tippecanoe County, for the period January 1, 2011 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.

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

May 15, 2017

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS

PENALITIES, INTEREST, AND OTHER CHARGES

The Township paid \$1,904.11 in penalties, interest, and other charges to the Internal Revenue Service (IRS) for failure to remit payments or file required reports timely.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

SUPPORTING DOCUMENTATION

Payments totally \$10,885.60 to the IRS were observed which did not contain adequate supporting documentation as shown in the table below:

<u>Date</u>	<u>Check No.</u>	<u>Amount</u>
10-21-11	3991	\$ 2,080.00
09-20-12	4225	1,806.61
09-03-13	4424	3,701.99
11-22-14	4690	<u>3,297.00</u>
Total		<u>\$ 10,885.60</u>

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. Governmental units should file accurate reports required by federal and state agencies. Non-compliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The wages reported on the W-2s issued for 2011, 2012, 2013, 2014, and 2015 did not agree with the actual amounts paid to officials and employees.

W-2s were not issued for all Township employees for 2011.

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

Units 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. 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)

DEPOSITORY RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the reconciliation did not balance for 2011, 2012, 2013, 2014, or 2015.

<u>Years</u>	<u>Balance per Ledger</u>	<u>Reconciled Balance</u>	<u>Difference</u>
2011	\$ 207,138.52	\$ 207,601.98	\$ (463.46)
2012	201,808.41	202,229.35	(420.94)
2013	208,804.32	208,870.04	(65.72)
2014	165,896.21	165,968.26	(72.05)
2015	188,904.68	188,984.14	(79.46)

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 FINANCIAL REPORT ERRORS

The Annual Financial Report (AFR) filed on Gateway for 2011, 2012, 2013, 2014, and 2015 did not match the Township's records as shown in the table below:

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount per AFR</u>	<u>Amount per Township Ledger</u>	<u>Difference</u>
2011	Fire Operating	Investments - Ending Balance	\$ 13,582.73	\$ 14,278.51	\$ (695.78)
2012	Fire Operating	Investments - Ending Balance	13,582.73	14,235.99	(653.26)
2012	Township	Receipts	52,303.49	51,351.49	952.00
2012	Township	Ending Balance	23,704.75	22,752.75	952.00
2013	Fire Operating	Investments - Ending Balance	13,582.73	14,192.90	(610.17)
2013	Fire Operating	Disbursements	48,091.19	47,292.44	798.75
2013	Fire Operating	Ending Balance	69,305.54	70,104.29	(798.75)
2014	Fire Operating	Investments - Ending Balance	13,582.73	13,654.78	(72.05)
2015	Fire Operating	Investments - Ending Balance	13,582.73	13,662.19	(79.46)

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)

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

APPROPRATIONS

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

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2011	Township Assistance	\$ 197.44
2012	Township Assistance	294.04

Indiana Code 6-1.1.18-4 states in part: ". . . 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 2011, 2012, 2013, 2014, or 2015.

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

"The township legislative body shall fix the:

- (1) salaries;
- (2) wages;
- (3) rates of hourly pay . . .

of all officers and employees of the township."

ADVANCE PAYMENTS

The Township paid compensation one month in advance to the Trustee and Assistant Trustee in advance of the actual date the services were provided.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONTRACTS

Payments totally \$11,405 for cemetery care were not supported by a written contract in 2011.

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)

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

TOWNSHIP ASSISTANCE STANDARDS

The Township Board did not establish Township Assistance Standards for 2011, 2012, 2013, 2014, or 2015.

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 assistance applications are taken or processed."

NEPOTISM POLICY

The Township did not have a Nepotism Policy for 2012 or 2013.

Indiana Code 36-1-20.2-9(a) states in part: "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. . . ."

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, 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 WITH A UNIT POLICY

The Township did not have a Contracting Policy for 2012 or 2013.

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. . . ."

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY
RESULTS AND COMMENTS
(Continued)

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, 2012, 2013, 2014, or 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."

RANDOLPH TOWNSHIP, TIPPECANOE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 15, 2017, with Marcella Maynard, Trustee.