

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

COMPLIANCE REPORT

OF

RICHLAND TOWNSHIP

MADISON COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
07/17/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Richard Cleaver Horace England	01-01-11 to 12-31-14 01-01-15 to 12-31-18
Chairman of the Township Board	Carl Jones	01-01-12 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF RICHLAND TOWNSHIP, MADISON COUNTY, INDIANA

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

June 1, 2017

RICHLAND TOWNSHIP, MADISON COUNTY
RESULTS AND COMMENTS

DEPOSITORY RECONCILIATIONS

Depository reconciliations were not performed. The 2014 ledger of Township funds and bank statements were not presented.

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."

REVIEW AND APPROVAL OF ANNUAL REPORT

The Township did not have the required meeting to review and adopt the Annual Report for 2012, 2014, 2015, and 2016.

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."

APPROVAL OF SALARIES

The Township Board did not fix the salaries and wages of Township officers and employees for years 2012, 2013, 2014, 2015, and 2016.

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."

PAYROLL DEDUCTIONS

The Township did not withhold federal taxes (Social Security and Medicare) from Township Board members in 2012, 2013, 2014, 2015, and 2016.

W-2s for 2014 were not presented.

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)

RICHLAND TOWNSHIP, MADISON COUNTY
RESULTS AND COMMENTS
(Continued)

FUND SOURCES AND USES

The following posting errors were noted:

1. The Richland Township Volunteer Fire Department was erroneously paid \$20,000 from the Township fund rather than the Special Fire General fund in 2015. The fire territory has since disbanded and all funds have been disbursed to other entities.
2. The salary of the Township Assistance Investigator was paid from the Township fund in 2015.
3. The employer's share of payroll taxes was paid from the Payroll fund in 2015 and 2016 instead of the Township fund. Receipts posted to the payroll fund represented only employee withholdings from gross wages.

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CONTRACTS

Payments made for fire protection were not supported by a written contract in 2012, 2013, 2014, and 2015. Payments made for emergency medical services were not supported by a written contract in 2012 and 2013.

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)

APPROPRIATIONS

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

Fund	Years	Excess Amount Expended
Equipment Replacement	2012	\$ 85,000
Township	2015	16,240
Equipment Replacement	2016	5,552

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."

RICHLAND TOWNSHIP, MADISON COUNTY
RESULTS AND COMMENTS
(Continued)

ABSTRACT REPORTS NOT PUBLISHED

The abstract reports were not published in accordance with Indiana Code 36-6-4-13 for 2012, 2013, 2014, 2015, and 2016.

Indiana Code 36-6-4-13(b) states:

"Within four (4) weeks after the third Tuesday following the first Monday in February, the executive shall publish the abstract prescribed by subsection (a) in accordance with IC 5-3-1. The abstract must state that a complete and detailed annual report and the accompanying vouchers showing the names of persons paid money by the township have been filed with the county auditor, and that the chairman of the township legislative body has a copy of the report that is available for inspection by any taxpayer of the township."

RICHLAND TOWNSHIP, MADISON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2017, with Horace England, Trustee, and Ellen Porter, Township Board member.