

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

COMPLIANCE REPORT

OF

JACKSON TOWNSHIP

PARKE COUNTY, INDIANA

January 1, 2011 to December 31, 2016



FILED
07/25/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Results and Comments:	
Appropriations.....	4
Condition of Records	4
Approval of Salaries	4
Federal and State Agencies - Compliance Requirements	5
Advance Payments.....	5
Contracts	5
Supporting Documentation	5
Penalties, Interest, and Other Charges	6
Board Minutes.....	6
Abstract Report Not Adopted.....	6
Nepotism Certification	6
Contracting with a Unit Certification	7
Exit Conference.....	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Richard Thompson	01-01-11 to 12-31-18
Chairman of the Township Board	D. Kevin Cox	01-01-11 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF JACKSON TOWNSHIP, PARKE COUNTY, INDIANA

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

May 31, 2017

JACKSON TOWNSHIP, PARKE COUNTY
RESULTS AND COMMENTS

APPROPRIATIONS

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	\$ 1,239.83
2012	Township	379.86
2012	Fire Fighting	100.00
2013	Township	1,337.39
2013	Township Assistance	439.88
2014	Township Assistance	611.79

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."

CONDITION OF RECORDS

Receipts were not properly posted to the Township Ledger. In 2013, the CAGIT certified shares were budgeted to be posted to the Fire Fighting fund, but instead were posted into the Township fund. In 2011, two receipts totaling \$959 were posted to the Township fund that should have been posted to the Fire Fighting fund and one receipt totaling \$408.50 was posted to the Fire Fighting fund that should have been posted to the Township fund.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

APPROVAL OF SALARIES

The Township Board did not establish the salaries of Township officers and employees for 2013, 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."

JACKSON TOWNSHIP, PARKE COUNTY
RESULTS AND COMMENTS
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The wages reported on the W-2 issued for the Trustee for 2014 did not agree with the actual amounts paid to employees.

A form W-2 for a Township Board member in 2012 was not presented for examination.

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)

ADVANCE PAYMENTS

The Township paid compensation in advance of the actual date the services were provided. In 2012, 8 of 12 months salary were paid in advance to the Trustee. In 2013, all salary to the Trustee was paid in advance. In 2014, \$3,009.90 was paid in advance to the Trustee, Bookkeeper, and one Township Board member. In 2015 and 2016, \$2,361.13 and \$1,826, respectively, was paid in advance to the Trustee and Bookkeeper.

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 made for fire protection in 2012 or 2014 and mowing in 2011, 2012, and 2014 were not supported by a written contract.

Payments made for mowing in 2013 or 2016 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 governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

SUPPORTING DOCUMENTATION

In 2011, 6 payments totaling \$2,000; 2012, 4 payments totaling \$1,500; 2013, 2 payments totaling \$1,000; 2014, 5 payments totaling \$2,478.35; 2015, 16 payments totaling \$4,480.50 and in 2016, 8 payments totaling \$4,074.50 did not contain adequate supporting documentation, such as receipts, invoices, and other public records.

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)

JACKSON TOWNSHIP, PARKE COUNTY
RESULTS AND COMMENTS
(Continued)

PENALTIES, INTEREST, AND OTHER CHARGES

The Township paid penalties and interest in the amount of \$74.21 to the Internal Revenue Service for failure to remit tax payments on a timely basis.

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)

BOARD MINUTES

Minutes of meetings of the governing body were not presented for 2011, 2012, 2013, 2014, 2015, and 2016.

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."

ABSTRACT REPORT NOT ADOPTED

The Township did not have the required meeting to review and adopt the abstract report for 2011, 2012, 2013, 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."

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, and 2014.

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."

JACKSON TOWNSHIP, PARKE 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, and 2014.

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."

JACKSON TOWNSHIP, PARKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 31, 2017, with Richard Thompson, Trustee, and Kimberly Shorter, Bookkeeper.