

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JEFFERSON TOWNSHIP

MORGAN COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
09/15/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	James P. Lankford	01-01-11 to 10-03-14
	Ann Lankford	10-04-14 to 12-31-18
Chairman of the Township Board	Rod Katter (deceased)	01-01-12 to 08-08-12
	(Vacant)	08-09-12 to 12-31-12
	Frank Weaver	01-01-13 to 12-31-17



STATE OF INDIANA
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TO: THE OFFICIALS OF JEFFERSON TOWNSHIP, MORGAN COUNTY, INDIANA

This report is supplemental to our examination report of Jefferson Township (Township), for the period from January 1, 2012 to December 31, 2016. 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 Examination Report of the Township, which provides our opinion on the Township's 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

July 27, 2017

JEFFERSON TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION

Payment on one claim was observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. The payment was made from a statement without the supporting invoice to support.

A similar comment also appeared in prior Report B42167 entitled *DISBURSEMENT DOCUMENTATION*.

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)

DEPOSITS NOT MADE TIMELY

Receipts were deposited later than the first and fifteenth of the month. Deposits were made to up 50 days in 2012, 15 days in 2013, 14 days in 2014, 13 days in 2015, and 9 days in 2016 after the 15th and/or 30th of the month.

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. . . ."

UNDOCUMENTED TOWNSHIP ASSISTANCE

Payment was observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records for Township Assistance. One Township Assistance disbursement did not have supporting documentation attached to the paid claim.

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)

CONTRACTS

Payments made for mowing were not supported by a written contract for 2012, 2013, 2014, 2015, and 2016.

A similar comment also appeared in prior Report B41267 entitled *CONTRACTS*.

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)

JEFFERSON TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

APPROVAL OF SALARIES

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

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."

ANNUAL FINANCIAL REPORT

The Annual Financial Report for 2012 and 2013 was not filed electronically until March 18, 2013, and March 2, 2014, which was 17 days and 1 day late, respectively.

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."

CONTRACTING WITH A UNIT POLICY

The Township did not have a Contracting Policy for 2012, 2013, 2014, 2015, and 2016.

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. . . ."

NEPOTISM POLICY

The Township did not have a Nepotism Policy for 2012, 2013, 2014, 2015, and 2016.

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. . . ."

JEFFERSON TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

NEPOTISM CERTIFICATION

The Trustee did not annually certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, 2015, and 2016. In addition, the Township Board members did not annually certify in writing that they each had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012, 2013, 2014, 2015, and 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

The Trustee 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, 2015, and 2016. The Township Board did not certify in writing that each had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012, 2013, 2014, 2015, and 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."

OFFICIAL BOND

The Trustee's official bond for 2014 was not filed in the office of the County Recorder. Records presented for examination show that an official bond was purchased December 29, 2013.

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder in the county of residence of the officer, official, deputy, or employee. The county recorder and deputies and employees of the recorder shall file their bonds in the office of the clerk of the circuit court."

JEFFERSON TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2017, with Ann Lankford, Trustee, and James P. Lankford, Township Clerk.