

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WASHINGTON 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	Scott Manley	01-01-11 to 12-31-14
	Michael Aldridge	01-01-15 to 12-31-18
Chairman of the Township Board	Kim Meredith	01-01-12 to 12-31-13
	Bob Bolin	01-01-14 to 12-31-15
	Dan L. Downing	01-01-16 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 WASHINGTON TOWNSHIP, MORGAN COUNTY, INDIANA

This report is supplemental to our examination report of Washington 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

WASHINGTON TOWNSHIP, MORGAN COUNTY
EXAMINATION RESULTS AND COMMENTS

TOWNSHIP ASSISTANCE STANDARDS

Records presented for examination showed that Township Assistance Standards were approved in 1997 and were used for Township Assistance throughout the examination period. Records did not indicate that the standards were reviewed and updated annually. In addition, the Board of County Commissioner's office did not have a copy of the standards filed as required.

Indiana Code 12-20-5.5-1 states:

"(a) The township trustee shall process all applications for township assistance according to uniform written standards and without consideration of the race, creed, nationality, or gender of the applicant or any member of the applicant's household.

(b) 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."

FAILURE TO ENTER INTO CONTRACT

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

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)

CREDIT CARD POLICY

The Township did not have a credit card policy approved by the Township Board for 2012, 2013, 2014, 2015, and 2016.

The SBOA will not take exception to the use of credit cards by a unit provided the following criteria are observed:

1. The governing body must authorize credit card use through an ordinance/resolution, which has been approved in a meeting and documented in the minutes.

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

2. Issuance and use must be handled by an official or employee designated by the governing body.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the responsible person.
5. The designated responsible official or employee must maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned.
6. Credit cards must not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing body and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment cannot be made on the basis of a statement or a credit card slip only. Procedures for payments must be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee may be the personal obligation of the responsible officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

ANNUAL 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, 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."

UNDOCUMENTED EXPENSE

A payment was observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records. One disbursement was found to be paid from only the statement without the supporting invoice.

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)

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

ANNUAL CONTRACTING POLICY 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, 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."

DEPOSITS NOT MADE TIMELY

Receipts were deposited later than the first and fifteenth of the month. Deposits were made up to seven days past the end of the month in 2013, in 2014 deposits were up to two days after the fifteenth of the month, up to six days late in 2015, and up to four days in 2016.

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. . . ."

WASHINGTON TOWNSHIP, MORGAN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2017, with Michael Aldridge, Trustee, and Dan L. Downing, Chairman of the Township Board.