

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

COMPLIANCE REPORT
OF
MONTGOMERY TOWNSHIP
OWEN COUNTY, INDIANA
January 1, 2012 to December 31, 2016



FILED
09/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	M. Sue Carpenter	01-01-11 to 12-31-18
Chairman of the Township Board	Frank Browniszewski	01-01-11 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MONTGOMERY TOWNSHIP, OWEN COUNTY, INDIANA

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

July 31, 2017

MONTGOMERY TOWNSHIP, OWEN COUNTY
RESULTS AND COMMENTS

CONTRACTS

Payments made for fire protection provided by the Town of Gosport did not comply with the amount in the written contract. The variances were \$60, \$(18), and \$72 for 2014, 2015, and 2016, respectively. Payments made for fire protection from the Town of Gosport were not supported by a written contract in 2012.

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)

COMPENSATION PAID IN ADVANCE

The Township paid a total of \$30,500 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)

FAILURE TO ESTABLISH TOWNSHIP ASSISTANCE STANDARDS

The Township Board did not establish Township Assistance Standards for 2012, 2013, 2014, 2015, or 2016.

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."

TOWNSHIP ASSISTANCE APPLICATIONS

Applications for Township Assistance were not provided in 2012, 2013, and 2014 for all Township Assistance payments.

MONTGOMERY TOWNSHIP, OWEN COUNTY
RESULTS AND COMMENTS
(Continued)

Application for Township Assistance is to be completed by each person who applies for township assistance. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 7)

SUPPORTING DOCUMENTATION

Payments were made for telephone expense without proper documentation for 2012, 2013, 2015, and 2016. Payments were made for mileage expense without prescribed Form 101 being used for examination period. Payments were made for utility expenses for 2012, 2013, and 2015 without proper 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)

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."

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. . . ."

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, 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."

ANNUAL FINANCIAL REPORT FILED LATE

The Annual Financial Report (AFR) was not filed electronically for 2015 and 2016 until March 24, 2016, and March 18, 2017, respectively. The AFR for 2015 was filed 23 days late and the AFR for 2016 was filed 17 days late.

MONTGOMERY TOWNSHIP, OWEN COUNTY
RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-1-4(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically . . ."

LATE FILING OF CERTIFIED REPORT

The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R) with the Indiana State Board of Accounts for 2012, 2013, 2014, 2015, and 2016. The reports were filed on March 1, 2013, February 12, 2014, March 11, 2015, February 17, 2016, and March 7, 2017, which is 28, 12, 39, 17, and 35 days, respectively, past the due date of January 31.

Indiana Code 5-11-13-1(a) 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. . . ."

MONTGOMERY TOWNSHIP, OWEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2017, with M. Sue Carpenter, Trustee.