

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

SPECIAL INVESTIGATION REPORT

OF

GENEVA TOWNSHIP

JENNINGS COUNTY, INDIANA

January 1, 2011 to March 17, 2016



FILED
12/29/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Kathryn Wint Bill Foist	01-01-11 to 02-28-17 03-01-17 to 12-31-18
Chairman of the Township Board	Mike E.J Kelley Bruce Fischvogt Sandra Wilkerson Mike E. J. Kelley Sandra Wilkerson Mike E. J. Kelley	01-01-11 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17



STATE OF INDIANA
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TO: THE OFFICIALS OF GENEVA TOWNSHIP, JENNINGS COUNTY, INDIANA

We have conducted a special investigation of the records of Geneva Township (Township), Jennings County, for the period from January 1, 2011 to March 17, 2016. Our investigation was limited to the records related to undocumented travel expenses and payments without supporting documentation. The purpose of our investigation was to determine if the accountability for cash and other assets are satisfactory and that the transactions related thereto are in compliance with the laws and regulations of the State of Indiana. The results of our investigation are fully described in the Special Investigation Results and Comments and Summary of Charges as listed in the Table of Contents.

Any Official Response included herein this report has not been examined or verified for its accuracy.

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

February 23, 2017

GENEVA TOWNSHIP, JENNINGS COUNTY
SPECIAL INVESTIGATION RESULTS AND COMMENTS

UNDOCUMENTED MILEAGE REIMBURSEMENTS

The Trustee was paid \$577.44 for mileage reimbursement without proper supporting documentation being presented; such as, an itemized Mileage Claim Form 101. The following schedule shows the undocumented mileage reimbursements paid from the Township funds:

<u>Years</u>	<u>Amount</u>
2011	\$ 225.00
2012	229.80
2015	<u>122.64</u>
Total	<u>\$ 577.44</u>

Indiana Code 36-6-8-3(b) states in part: "The township executive is entitled to a sum for mileage in the performance of official duties equal the sum per sum per mile to state officers and employees."

Mileage Claim Form Number 101 shall be properly completed, listing dates of authorized travel, details of travel, miles traveled, nature of business, etc., for reimbursements for mileage before payment is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

On February 23, 2017, Kathryn Wint (Wint), Trustee, was requested to refund \$577.44 to the Township. Reimbursement of \$577.44 was made on December 20, 2017. (See Summary of Charges, page 7)

PAYMENTS WITHOUT SUPPORTING DOCUMENTATION

In 2011, Jim Wint, late spouse of Wint, was paid \$775 without any supporting documentation being presented for investigation. The following schedule shows the payments made to Jim Wint:

<u>Date</u>	<u>Amount</u>
April 27, 2011	(1) \$ 300
June 28, 2011	(2) 300
December 26, 2011	(3) <u>175</u>
Total	<u>\$ 775</u>

Notes to Schedule:

- (1) Check 4314 dated April 27, 2011, had the notation on the memo line "consultant fee for FT purchase." The Trustee stated that Jim Wint was paid for work assisting the Township and Volunteer Department in purchasing of a new fire truck. No contract was presented for the consulting work and no supporting documentation was presented to identify the services provided.

GENEVA TOWNSHIP, JENNINGS COUNTY
SPECIAL INVESTIGATION RESULTS AND COMMENTS
(Continued)

- (2) Check 4362 dated June 28, 2011, had the notation on the memo line "temp help." The Trustee stated that she could not recall what this payment was for. No itemized invoice, contract, or receipt was presented.

- (3) Check 4489 dated December 26, 2011, had the notation on the memo line "temp help." The Trustee stated that it was for services to help pickup and deliver food baskets for a charitable organization at Christmas to the needy in the Township. No itemized invoice, contract, or receipt was presented and the Township had no responsibility to pay another organization's workers.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination 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)

INTERNAL CONTROL DEFICIENCIES

The Trustee was responsible for all aspects of the Township's financial activity. This included preparing checks; recording financial transactions in the financial ledger; monitoring budget compliance; and reporting payroll information and remitting payroll taxes. Due to the lack of segregation of duties, undocumented mileage reimbursements, and payments without supporting documentation were able to occur and not be identified timely.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

GENEVA TOWNSHIP, JENNINGS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 23, 2017, with Kathryn Wint, Trustee.

GENEVA TOWNSHIP, JENNINGS COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Kathryn Wint, Trustee: Undocumented Mileage Reimbursements, page 4	<u>\$ 577.44</u>	<u>\$ 577.44</u>	<u>\$ -</u>