

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

COMPLIANCE REPORT

OF

UNION TOWNSHIP

JASPER COUNTY, INDIANA

January 1, 2016 to December 31, 2018



FILED
04/17/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Gerrett Dobson	01-01-16 to 03-22-17
	(Vacant)	03-23-17 to 03-31-17
	Nicole Davis	04-01-17 to 12-31-20
Chairman of the Township Board	Frank Slaby	01-01-16 to 12-31-18
	Gregg Kanne	01-01-19 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF UNION TOWNSHIP, JASPER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Union Township (Township), Jasper County, for the period of January 1, 2016 to December 31, 2018, 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 non-compliance 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.

The Schedule of Cash and Investment Balances, as listed in the Table of Contents, is presented as other information. It has not been subjected to any auditing procedures and, accordingly, we do not express an opinion or provide any assurance on it.

Any Official Response to the Results and Comments, incorporated within this report, was not verified for accuracy.

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

April 1, 2020

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OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Reports information can be found on the Indiana Gateway for Government Units (Gateway) website: <https://gateway.ifionline.org/>. The schedule presented herein is presented as other information and is derived from the Township's Annual Financial Reports information and has not been subjected to any audit procedures. No adjustments have been made to the information as reported in Gateway and, as such, balances may differ.

UNION TOWNSHIP, JASPER COUNTY
 SCHEDULE OF CASH AND INVESTMENT
 BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

Fund	Cash and Investments 12-31-18
Township	\$ 8,624
Park And Recreation	270
Township Assistance	8,996
Fire Fighting	7,261
Rainy Day	8,348
Levy Excess	<u>404</u>
Total	<u>\$ 33,903</u>

UNION TOWNSHIP, JASPER COUNTY
RESULTS AND COMMENTS

SALARY RESOLUTION

The same comment also appeared in prior Report B49850.

Condition and Context

The Township Board did not adopt a resolution establishing salaries of Township officers and employees for 2016 through 2018.

Criteria

Indiana Code 36-6-6-10(c) states in part: "The township legislative body shall fix the compensation of all officers and employees of the Township. Compensation shall be established using an annual, monthly, or biweekly salary schedule . . ."

SUPPORTING DOCUMENTATION

The same comment also appeared in prior Report B49850.

Condition and Context

Several payments were observed which did not contain adequate supporting documentation such as receipts, invoices, and other public records for 2016 through 2018.

Criteria

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)

BOARD MINUTES

Condition and Context

The following deficiencies were noted with the Township Board minutes:

1. The 2016 Township Board minutes were not available for review.
2. The Township did not hold an election of officers at the beginning of each year as required.
3. The Township did not approve the Annual Report for 2016 through 2019.

UNION TOWNSHIP, JASPER COUNTY
RESULTS AND COMMENTS
(Continued)

Criteria

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 chair of the legislative body shall retain the record in the chair's custody."

Indiana Code 36-6-6-7 states:

"(a) The legislative body shall meet at the office of the executive on the first Tuesday after the first Monday in January of each year. At this meeting the legislative body shall elect one (1) member as chair for that year and one (1) member as secretary for that year.

(b) If a newly elected legislative body holds a special meeting before the first Tuesday after the first Monday in the January following its election, it shall elect a chair and a secretary before conducting any other business. The chair and secretary elected at the special meeting retain those positions until the first Tuesday after the first Monday in January of the year following the special meeting."

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](#)."

ADOPTION AND TRAINING OF INTERNAL CONTROL STANDARDS

Condition and Context

The Township Board did not adopt the minimum internal control standards and procedures or ensure that personnel were properly trained as required under Indiana Code 5-11-1-27(g).

Criteria

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

UNION TOWNSHIP, JASPER COUNTY
RESULTS AND COMMENTS
(Continued)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Township certified on the Indiana Gateway for Government Units reporting system that the Township Board had adopted internal control standards and appropriate personnel were trained on the internal control standards for 2018. However, the Township Board had not adopted internal control standards and personnel did not receive the internal control training; therefore, the certification was incorrect.

Context

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

"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 in the manner prescribed under [IC 5-14-3.8-7](#)."

PENALTIES, INTEREST, AND OTHER CHARGES

The same comment also appeared in prior Report B49850.

Condition and Context

The Trustee paid \$53.34 of penalties, interest, and other charges to the Internal Revenue Service for the late payment of 2019 payroll taxes.

Criteria

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)

COLLECTIONS NOT DEPOSITED TIMELY

The same comment also appeared in prior Report B49850.

Condition and Context

The 2016 and 2017 tax distributions were deposited and receipted up to six months after the funds were received.

UNION TOWNSHIP, JASPER COUNTY
RESULTS AND COMMENTS
(Continued)

Criteria

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. . . ."

TOWNSHIP ASSISTANCE

The same comment also appeared in prior Report B49850.

Condition and Context

Township Assistance Standards

Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.

Township Assistance Applications

Five Township Assistance Applications were not available for review when benefits were received. Three applications were not available from 2016 and one each year for 2017 and 2018.

Criteria

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."

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)

UNION TOWNSHIP, JASPER COUNTY
RESULTS AND COMMENTS
(Continued)

CONTRACTS

The same comment also appeared in prior Report B49850.

Condition and Context

Payments made for fire protection were not supported by a written contract for 2016 and 2017. Payments made for mowing services were not supported by a written contract for 2016, 2017, and 2018.

Criteria

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)

NEPOTISM IN EMPLOYMENT

The same comment also appeared in prior Report B49850.

Condition and Context

Policy

The Township's Nepotism Policy for 2016, 2017, and 2018 was not signed by the Township Board members or approved in the minutes.

Certification

Each elected officer did not certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2016, 2017, or 2018.

Criteria

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. . . ."

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."

NEPOTISM IN CONTRACTING

Condition and Context

Policy

The Township's Contracting Policy was not signed or approved in the minutes by the Township Board.

UNION TOWNSHIP, JASPER COUNTY
RESULTS AND COMMENTS
(Continued)

Certification

Each elected officer did not certify in writing that the officer had not violated IC 36-1-21 (Contracting with a Unit) by December 31, 2016, 2017, or 2018.

Criteria

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. . . ."

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."

UNION TOWNSHIP, JASPER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2020, with Nicole Davis, Trustee.