

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

COMPLIANCE REPORT
OF
CENTER TOWNSHIP
PORTER COUNTY, INDIANA
January 1, 2016 to December 31, 2018



FILED
04/29/2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Other Information - Unaudited	5
Results and Comments:	
Condition of Records	6
Bank Account Reconciliations	6
Township Assistance Standards	7
Training and Certification on Internal Control Standards	7-8
Exit Conference.....	9
Official Response	10-11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Douglas D. Miller	01-01-16 to 12-31-18
	Jesse Harper	01-01-19 to 12-31-20
Chairman of the Township Board	Dr. Stephen Buck	01-01-16 to 12-31-16
	Amy Daly	01-01-17 to 12-31-17
	Debra Fray	01-01-18 to 12-31-19
	Dr. Stephen Buck	01-01-20 to 12-31-20



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 CENTER TOWNSHIP, PORTER COUNTY, INDIANA

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

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 22, 2020

(This page intentionally left blank.)

OTHER INFORMATION - UNAUDITED

The Township's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

CENTER TOWNSHIP, PORTER COUNTY
RESULTS AND COMMENTS

CONDITION OF RECORDS

Condition and Context

The Township did not provide records to support the amounts reported in the Annual Financial Report (AFR) for the Rainy Day and Township General funds for 2016, 2017, and 2018. The Township also did not provide records to support the amounts reported in the AFR for the Township Assistance and Payroll Deduction funds for 2017.

Criteria

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Bank reconciliations were conducted during the engagement period; however, the adjusted bank balances did not agree to the ending cash balances. At December 31, 2016, the Township's bank balance was \$123,924 greater than the amount reported on the Annual Financial Report (AFR) filed in the Indiana Gateway for Government Units (Gateway) financial reporting system. At December 31, 2017, the Township's bank balance was \$126,264 greater than the amount reported on the AFR filed in Gateway.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

CENTER TOWNSHIP, PORTER COUNTY
RESULTS AND COMMENTS
(Continued)

TOWNSHIP ASSISTANCE STANDARDS

A similar comment also appeared in prior Report B47786.

Condition and Context

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

Criteria

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."

TRAINING AND CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

The Trustee certified on the Indiana Gateway for Government Units financial reporting system that appropriate personnel were trained on internal control standards; however, there was no supporting documentation provided to show that required personnel completed the training on internal control standards.

Criteria

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

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

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

CENTER TOWNSHIP, PORTER COUNTY
RESULTS AND COMMENTS
(Continued)

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](#)."

CENTER TOWNSHIP, PORTER COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 22, 2020, with Jesse Harper, Trustee, and Debra Fray, Township Board member.

To: State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204-2765
ldavid@sboa.in.gov

From: Jesse Harper, Center Township Trustee

RE: OFFICIAL RESPONSE

Unit Examined: Center Township, Porter County
Period Examined: January 1, 2016 to December 31, 2018

Condition of Records (Condition and Context):

The time period being examined was prior to the taking office of the current Trustee, Jesse Harper. Since taking office I have implemented a more rigorous and thorough form of record keeping. Furthermore, we have updated our record keeping software to a more user friendly and municipal based program, Microspectrum. This software adheres to all applicable laws and guidelines

Bank Account Reconciliations (Condition and Context):

Again, the time period being examined was prior to my taking office, however I have implemented new procedures which should rectify the problems stated by the SBOA. We have implemented software which allows our office to pull all records to support the date/numbers that have been entered into Gateway.

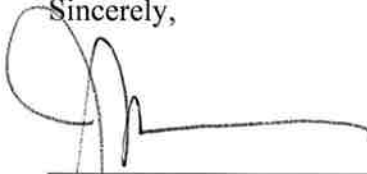
Township Assistance Standard:

I, as the elected Trustee, had subsequent to being elected and taking office, rewrote the Township Assistance Guidelines. Furthermore, I had presented said Guidelines to the Board and had received the Board's approval on the changes made therein and the Guidelines as a whole. However, proper records were not kept as to the Boards vote and approval. Moving forward I will set in place procedures that adhere to Indiana Code 12-20-5.5-1, specifically I will henceforth ensure that the Guidelines are read and approved by the Board at the first Township Board meeting of every year.

Training On Certification Of Internal Control Standards

Again, I had ensured that all staff members viewed any SBOA videos and read any SBOA memoranda on Internal Controls. Moreover, I had each staff member attest to said review by signing an affidavit attesting to same. However, I failed to keep a proper file of said declarations. Moving forward I will ensure that all staff members continue to view and read any SBOA memoranda regarding Internal Controls and will countersign said affidavits. Furthermore, I will implement a cross check on all filings to ensure that proper paperwork is place in the required file.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jesse Harper'. The signature is stylized with a large loop at the beginning and a horizontal stroke extending to the right.

Jesse Harper
Center Township Trustee