

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SALT CREEK TOWNSHIP

JACKSON COUNTY, INDIANA

January 1, 2017 to December 31, 2020



FILED
11/22/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Douglas E. Hanner Floyd E. Fisher	01-01-17 to 04-30-18 05-01-18 to 12-31-21
Chair of the Township Board	Judy Goforth	01-01-17 to 12-31-21



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF SALT CREEK TOWNSHIP, JACKSON COUNTY, INDIANA

This report is supplemental to our review report of Salt Creek Township (Township), for the period from January 1, 2017 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Review Results and Comments that pertain to the Township. It should be read in conjunction with our Financial Statements Review Report of the Township, which provides our conclusion 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 Review 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 Review Results and Comments, incorporated within this report, was not verified for accuracy.

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

October 26, 2021

SALT CREEK TOWNSHIP, JACKSON COUNTY
REVIEW RESULTS AND COMMENTS

SALARY OVERPAYMENTS TO TRUSTEE

Condition and Context

Douglas E. Hanner (Hanner) paid himself \$1,050 in excess of the salaries approved and appropriated by the Township Board for the Trustee position for the years 2017 and 2018. Hanner paid himself for both the Trustee and Clerk position from October 1, 2017 to April 30, 2018. The following schedule details the amount of the salary overpayments:

	<u>Approved Salary</u>	<u>Actual Paid</u>	<u>Salary Overpayments</u>
2017	\$ 3,000	\$ 3,450	\$ 450
2018	<u>1,000</u>	<u>1,600</u>	<u>600</u>
	<u>\$ 4,000</u>	<u>\$ 5,050</u>	<u>\$ 1,050</u>

Criteria

Indiana Code 36-6-6-10 states in part:

". . . (b) As used in this section, 'compensation' means the total of all money paid to an elected township officer for performing duties as a township officer, regardless of the source of funds from which the money is paid. The term includes all employee benefits paid to an elected township officer, including life insurance, health insurance, disability insurance, retirement benefits, and pension benefits. . . .

(c) The township legislative body shall fix the compensation of all officers and employees of the township. . . .

(e) Except as provided in subsection (i), the township legislative body may not alter the salaries of elected or appointed officers during the fiscal year for which they are fixed, but it may add or eliminate any other position and change the salary of any other employee, if the necessary funds and appropriations are available. . . ."

The trustee cannot receive any compensation in excess of what is noted on the salary resolution for the trustee. It is very important that the township board makes it clear what that total salary of the trustee will be and for what duties he/she will perform on the salary resolution. The State Board of Accounts is of the audit position that the compensation provided by a township board in accordance with IC 36-6-6-10 on the salary resolution is all inclusive for all duties performed. We will request reimbursement for any payments received above the compensation established for the trustee, board members or other employees. (Township Bulletin and Uniform Compliance Guidelines, March 2020)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance 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)

Hanner was requested to reimburse the Township for the salary overpayments in the amount of \$1,050. On November 1, 2021, Hanner reimbursed the Township. (See Summary of Charges, page 8)

SALT CREEK TOWNSHIP, JACKSON COUNTY
 REVIEW RESULTS AND COMMENTS
 (Continued)

ADDITIONAL EMPLOYER PAYROLL TAXES

Condition and Context

As a result of the salary overpayments to Hanner, the Township incurred additional employer payroll taxes in the amount of \$80.33 during 2017 and 2018. The following schedule details the amount of additional employer payroll taxes paid by the Township by year:

	Employer Share of Taxes
2017	\$ 34.43
2018	<u>45.90</u>
Total	<u><u>\$ 80.33</u></u>

Criteria

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

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)

Hanner was requested to reimburse the Township for the additional employer payroll taxes in the amount of \$80.33. On November 1, 2021, Hanner reimbursed the Township. (See Summary of Charges, page 8)

OFFICIAL BONDS

The following is information regarding official bonds obtained by the Township:

Official Bond	
Period	Amount
12-31-16 to 12-31-17	\$ 30,000
12-31-17 to 12-31-18	30,000

October 26, 2021

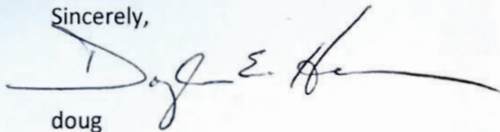
To: Indiana SBOA, Ms. Christie Wessel, Mr. Brandon Brough, Rev. Floyd Fisher (trustee), Mrs. Judy Goforth (president), Mr. Larry Smallwood (township board member), and Mr. Clifford Kirtz (township board member),

This is to file an official response to the exit conference of the Special Investigation Report of Salt Creek Township, Jackson County, Indiana from the audit of January 1, 2017 - December 31, 2020. A personal check for the amount to correct the error found in this audit investigation, \$1,130.33, will be mailed via USPS tomorrow, Wednesday, October 27, 2021 to Salt Creek Township, c/o Rev. Floyd Fisher, 6680 N. County Rd. 825 W., Norman, IN, 47264. I request that a receipt or written acknowledgment be returned to me for my records, please (either via email at douglas.e.hanner@gmail.com or USPS at 50 Owl View Rd., Riverton, WY, 82501).

As reflected in our board meeting minutes from September 18, 2017, the board approved for me as the trustee to pick up the extra work of the clerk following Trina's resignation from that role. While indeed the work for this clerk's salary was done between October 2017 and April 2018, none of us were aware it was prohibited (as noted in this audit according to Indiana Code 36-6-6-10 sections b, c, and e) for trustees to receive pay for this additional work. Since it isn't expressly stated elsewhere in this audit, it seems only appropriate to say there was no malintent behind this offense.

I appreciate unbiased audits like this one which keep systems and processes credible. They are necessary. My experience in the role of township trustee gave me the perspective that the work entrusted to the township was about 95% encumbered with red tape, and about 5% helpfulness at the local level. The energy, time, and resources it took to conduct and complete this investigation speaks to that, in my opinion. My hope is that somehow roles and functions can be made clearer and simpler for those serving their communities, and the percentages mentioned can be tipped the other direction so that our local governmental roles and functions can provide more help.

Sincerely,



doug

SALT CREEK TOWNSHIP, JACKSON COUNTY
EXIT CONFERENCE

The contents of this report were discussed on October 26, 2021, with Douglas E. Hanner, former Trustee; Floyd E. Fisher, Trustee; and Judy Goforth, Chair of the Township Board.

SALT CREEK TOWNSHIP, JACKSON COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Douglas E. Hanner (Hanner), Trustee:			
Salary Overpayments to Trustee, page 4	\$ 1,050.00	\$ 1,050.00	\$ -
Additional Employer Payroll Taxes, page 5	<u>80.33</u>	<u>80.33</u>	<u>-</u>
Totals	<u>\$ 1,130.33</u>	<u>\$ 1,130.33</u>	<u>\$ -</u>

This report was forwarded to the Office of the Indiana Attorney General.