



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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June 23, 2022

TO: THE OFFICIALS OF CENTER TOWNSHIP, STARKE 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), Starke County, for the period of January 1, 2016 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

***Comments***

***COMPENSATION***

The same comment appeared in prior Report B47553.

***Condition and Context***

The Township did not withhold taxes from any of the Township Board member's wages.

***Criteria***

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

## **TOWNSHIP BOARD MINUTES MISSING**

A similar comment appeared in prior Report B47553.

### *Condition and Context*

The Township was unable to provide Township Board (Board) minutes from February 2016 through December 2020. This resulted in the Township failing to provide documentation that the Township Board held the required meetings to consider and approve Annual Financial Reports in accordance with Indiana Code 36-6-6-9.

### *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 36-6-6-9(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](#)."

## **ANNUAL NEPOTISM AND CONTRACTING CERTIFICATIONS**

A similar comment appeared in prior Report B47553.

### *Condition and Context*

Each elected officer did not certify in writing that they had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31 of 2016, 2019, and 2020.

Each elected officer did not certify in writing that they had not violated Indiana Code 36-1-21 (Contracting with a Unit) by December 31 of 2016, 2019, and 2020.

### *Criteria*

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."

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."

**APPROPRIATIONS**

A similar comment appeared in prior Report B47553.

*Condition and Context*

The following funds had disbursements in excess of budgeted appropriations for the amounts shown below:

Fund	Years	Excess Amount Expended
Fire Fighting	2017	\$ 7,791
Fire Debt	2017	22,886
Township	2019	4,008
Fire Fighting	2019	42,000
Fire Fighting	2020	33,897

*Criteria*

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**LATE SUBMISSION OF ANNUAL FINANCIAL REPORT**

The same comment appeared in prior Report B47553.

*Condition and Context*

The Township's Annual Financial Reports for 2016, 2017, 2018, 2019, and 2020 were not filed electronically until August 17, 2017, September 14, 2018, August 20, 2019, January 22, 2021, and July 28, 2021, respectively, which were 169, 197, 172, 328, and 149 days past the due dates.

*Criteria*

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

"The state examiner shall require from every audited entity 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](#)."

**TOWNSHIP ASSISTANCE STANDARDS**

The same comment appeared in prior Report B47553.

*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 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."

***ADOPTION OF, AND TRAINING AND CERTIFICATION ON, INTERNAL CONTROL STANDARDS***

*Condition and Context*

The Township certified on the Indiana Gateway for Government Units (Gateway) financial reporting system that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, in 2018, 2019, and 2020, the Trustee indicated that the Township had not adopted the minimum internal control standards.

In addition, the Township certified on Gateway that all personnel defined by Indiana Code 5-11-2-27(e) had received training concerning the internal control standards adopted by the Township; however, in 2019 and 2020, the Trustee indicated that employees had not received training over internal control standards.

*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."

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

"The state examiner shall require from every audited entity 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](#)."

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, 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.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
Township	\$ 30,382
Township Assistance	4,984
Fire Fighting	110,723
Cumulative Fire	13,053
Fire Debt	<u>2,595</u>
Total	<u>\$ 161,737</u>

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

The contents of this report were communicated to Julie Manns, Trustee, and Steve Berndt, Chair of the Township Board, on June 2, 2022.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner