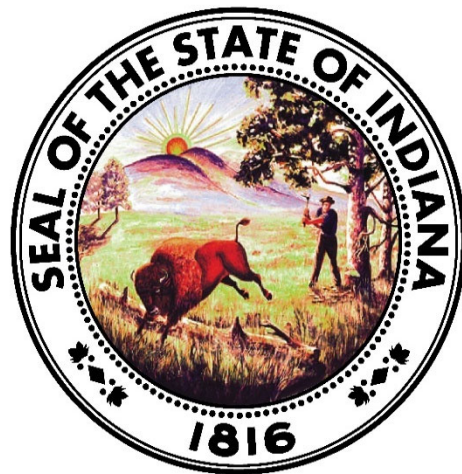


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

COMPLIANCE REPORT
OF
EEL RIVER TOWNSHIP
HENDRICKS COUNTY, INDIANA
January 1, 2016 to December 31, 2020



FILED
10/05/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Diane Greene	01-01-16 to 12-31-18
	Tamara Lasley	01-01-19 to 12-31-22
Chair of the Township Board	Michael Schlagel	01-01-16 to 12-31-16
	Steven Miller	01-01-17 to 12-31-17
	Clara Thompson	01-01-18 to 12-31-20
	Steven Miller	01-01-21 to 12-31-21
	Amie Brooks	01-01-22 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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TO: THE OFFICIALS OF EEL RIVER TOWNSHIP, HENDRICKS COUNTY, INDIANA

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

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

The Township's Annual Financial Report information can be found on the Indiana Gateway for Government Units financial reporting system website: <https://gateway.ifionline.org> and has not been subjected to any audit procedures.

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

Beth Kelley, CPA, CFE
Deputy State Examiner

August 23, 2022

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
RESULTS AND COMMENTS

W-2 FORMS

The same comment also appeared in prior Report B48401.

Condition and Context

W-2s were not presented for all Township employees for 2017.

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)

COMPENSATION AND BENEFITS

A similar comment also appeared in prior Report B48401, entitled *APPROVAL OF SALARIES*.

Condition and Context

The Township Board did not establish the salaries of Township officers and employees for 2016 and 2017.

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)

OVERDRAWN CASH BALANCES

The same comment also appeared in prior Report B48401.

Condition and Context

The following funds had overdrawn fund balances at December 31:

<u>Years</u>	<u>Fund</u>	<u>Amount Overdrawn</u>
2016	Payroll Deduction Fund	\$ 11,271
2017	Fire Debt Fund	2,363
2017	Payroll Deduction Fund	10,006
2018	Fire Debt Fund	2,363
2018	Payroll Deduction Fund	8,773

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
RESULTS AND COMMENTS
(Continued)

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

PAYROLL DEDUCTIONS

The same comment also appeared in prior Report B48401.

Condition and Context

Employees of the Township were paid without the Township withholding federal, state, and local taxes.

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)

PERSONAL EXPENSES

The same comment also appeared in prior Report B48401.

Condition and Context

During 2016, payments were made to a local restaurant totaling \$972 for Fire Department Christmas dinners that are considered personal and unrelated to the operation of the Township.

Criteria

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses 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)

OVERPAYMENT OF COMPENSATION

The same comment also appeared in prior Report B48401.

Condition and Context

In 2016, the budget lists the Trustee's salary at \$16,920. Diane Greene (Greene), former Trustee, was paid a total of \$23,794.65. The total number of checks written was 14. All check payments were dated in advance of services to be provided. Total overpayment was \$6,874.65.

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
RESULTS AND COMMENTS
(Continued)

In 2017, the budget lists the Trustee's salary at \$16,920. Greene was paid a total of \$19,696. The total number of checks written was 14. All check payments were dated in advance of services to be provided. Total overpayment was \$2,776.

Greene was requested to reimburse the Township in the amount of \$9,650.65 for overpayment of salary. Reimbursement of \$9,650.65 to the Township was made on August 23, 2022. (See Summary of Charges, page 10)

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 . . ."

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)

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 1)

SUPPORTING DOCUMENTATION

The same comment also appeared in prior Report B48401.

Condition and Context

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records, or the support provided did not agree to the amount paid. Payments were found in 2016, 2017, and 2018 without supporting invoice documentation attached.

In 2016, the Township reimbursed the former Trustee for office rent, internet, phone, and other miscellaneous expenses; however sufficient support was not provided for these expenses or approval by the Township Board totaling \$6,359.73. In addition, in 2017 the former Trustee's husband also received reimbursement for office rent, internet, phone, and miscellaneous expenses totaling \$12,700, in which sufficient support for the expense or approval by the Township Board could not be provided.

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)

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
RESULTS AND COMMENTS
(Continued)

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, must contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim may be the personal obligation of the responsible official, employee or another person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 11)

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

Penalties in the amount of \$941.41 were paid to the Indiana Department of Revenue during the engagement period. Penalties paid were the result of late payments during 2015, 2016, 2017, and 2018. Additionally, during 2016, 2017, and 2018, late fees and convenience fees were paid in the amount of \$507.27 for failure to make timely payments on the Township's utility, phone, and internet bills.

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)

*Eel River Township
P.O. Box 41
North Salem, IN 46165
765-676-6333
eelrivertownship@yahoo.com*

August 25, 2022

State Board of Accounts
302 W. Washington St.
Room E418
Indianapolis, IN 46165

RE: Audit Response

To Whom It May Concern,

In response to the State Board of Accounts audit for the period of January 1, 2016 to December 31, 2020, the Eel River Township Trustee and Board acknowledge the issues that existed in 2016 through 2018. Beginning in January 2019, the newly elected Trustee, Tamara Lasley, along with the Township Board, have worked together diligently to ensure that all issues have been corrected, to the best of our knowledge. We have also implemented internal auditing procedures to make every effort to prevent such instances from happening in the future.

Sincerely,

The Eel River Township Trustee and Board
Tamara Lasley, Trustee
Amie Brooks, Chairman of the Board
Braun Mendenhall, Secretary of the Board
Steve Miller, Board Member

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2022, with Tamara Lasley, Trustee; Amie Brooks, Chair of the Township Board; Braun Mendenhall, Township Board member; Steve Miller, Township Board member; and Gregory Irby, Township Attorney.

The contents of this report were discussed, at a separate meeting, on August 23, 2022, with Diane Greene, former Trustee.

EEL RIVER TOWNSHIP, HENDRICKS COUNTY
SUMMARY OF CHARGES
(Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Diane Greene, Trustee:			
Overpayment of Compensation, pages 5 and 6	\$ 9,650.65	\$ 9,650.65	\$ -
Totals	<u>\$ 9,650.65</u>	<u>\$ 9,650.65</u>	<u>\$ -</u>

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