

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

EXAMINATION REPORT
OF
PIKE TOWNSHIP
WARREN COUNTY, INDIANA
January 1, 2012 to December 31, 2013



FILED
03/11/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Compensation and Benefits – Trustee	4
Compensation and Benefits – Clerk	4
No Board Minutes Provided.....	4-5
Receipt Issuance	5
Supporting Documentation	5
Advance Payments.....	6
Annual Report.....	6
Official Bond	6
Bank Account Reconciliations	6
Exit Conference.....	7
Summary of Charges	8
Affidavit	9

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Heather Perry Edie Foust	01-01-11 to 07-28-13 07-29-13 to 12-31-14
Chairman of the Township Board	Carla Lincicum	01-01-12 to 12-31-14



STATE OF INDIANA
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TO: THE OFFICIALS OF PIKE TOWNSHIP, WARREN COUNTY

We have examined the records of Pike Township (Township), for the period from January 1, 2012 to December 31, 2013. The purpose of our examination was to determine compliance with laws and regulations applicable to the Township. Items of noncompliance are stated in the Examination Results and Comments.

STATE BOARD OF ACCOUNTS

February 12, 2014

PIKE TOWNSHIP, WARREN COUNTY
EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS - TRUSTEE

The latest approved payroll resolution (2010) stated that the Trustee was to receive \$225 a month for salary and \$85 a month for rent payments. In 2013, Heather Perry, former Trustee, was in office for seven months and therefore should have received \$2,170. The former Trustee was paid \$17,440 for salary and rent in 2013 which resulted in an overpayment of \$15,270 to Heather Perry, former Trustee. Heather Perry, former Trustee, did not receive a W-2 or 1099 for compensation. A similar comment was included in prior Report B42264.

Heather Perry, former Trustee, was requested to reimburse Pike Township \$15,270 for overpayment of salary and rent. (See Summary of Charges, page 8)

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS - CLERK

The latest approved payroll resolution (2010) stated that the Clerk was to receive \$50 a month for salary. In 2013, the former Clerk was employed for seven months and was paid \$700 for salary. This resulted in an overpayment of \$350 to William Perry, former Clerk. The former Clerk did not receive a W-2 or 1099 for compensation.

Heather Perry, former Trustee, was requested to reimburse Pike Township \$350 for overpayment of salary to the former clerk. (See Summary of Charges, page 8)

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

NO BOARD MINUTES PROVIDED

There were no minutes of meetings of the governing body presented for examination for 2012 and the first six months of 2013. A similar comment was included in prior Report B42264.

Indiana Code 5-14-1.5-4(b) states:

"As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.

PIKE TOWNSHIP, WARREN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (4) A record of all votes taken, by individual members if there is a roll call.
- (5) Any additional information required under section 3.5 or 3.6 of this chapter or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication."

RECEIPT ISSUANCE

The Township did not issue any Township receipts (Form 16).

The Township Trustee's Receipt (Form 16-1997) is to be used for receipt of each item of money received. Indicate in the space "On Account Of" the fund or funds to which the receipt is to be posted and identify the receipt, such as Dog Tax, Tax Distribution, Fire Protection Agreement, Temporary Loan, Bank Loan for Equipment, etc. Give the original to the payor, and retain all duplicates in the bound record. Payment amount for cash, check, money order, credit card/bank card, EFT, and other shall be designated on each receipt. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 2)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

SUPPORTING DOCUMENTATION

The Township disbursements did not include supporting documentation for 26 percent of disbursements tested. Some of those disbursements included: Boy Scout Troop #3344, Williamsport Senior Center, Mac Van, and West Lebanon Library. Due to the lack of supporting information, we could not verify the purpose of the disbursement. A similar comment was included in prior Report B42264.

Applications were not on file for 2 of 16 Township Assistance disbursements tested.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit 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 13)

Application for Township Assistance is to be completed by each person who applies for township assistance. The trustee has the power to administer oaths. Any person expressing a desire for assistance shall be permitted to apply, whether or not the trustee believes the person to be eligible. Each completed form must be filed in the trustee's office, whether or not relief is granted on the application. The trustee shall not extend aid to persons or families unless an affidavit setting forth the personal condition of the family has been filed within one hundred eighty (180) days prior to the date of the extension of aid. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 6)

PIKE TOWNSHIP, WARREN COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ADVANCE PAYMENTS

The Township paid compensation to the former Trustee and former Clerk in advance of the actual date the services were provided. A similar comment was included in prior Report B42264.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. 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 13)

ANNUAL REPORT

The Annual Report for 2012 was not filed electronically until April 25, 2013.

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."

OFFICIAL BOND

Heather Perry, former Trustee, did not obtain an individual surety bond for 2012 and 2013. A similar comment was included in prior Report B42264.

Indiana Code 5-4-1-18(a) states in part:

". . . the following . . . township officers and employees shall file an individual surety bond:

. . . (4) Township trustees."

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balance to the bank account balances were not prepared for 2012 and the first seven months of 2013. A similar comment was included in prior Report B42264.

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."

PIKE TOWNSHIP, WARREN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on February 12, 2014, with Edie Foust, Trustee. The official concurred with our examination findings.

The contents of this report were discussed on February 12, 2014, with Heather Perry, former Trustee.

PIKE TOWNSHIP, WARREN COUNTY
SUMMARY OF CHARGES

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Heather Perry, former Trustee:			
Compensation and Benefits - Trustee, page 4	\$ 15,270	\$ -	\$ 15,270
Compensation and Benefits - Clerk, page 4	350	-	350
Totals	\$ 15,620	\$ -	\$ 15,620

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

AFFIDAVIT

STATE OF INDIANA)
Pike)
COUNTY)

I, Melissa Griffin, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Pike Township, Warren County, Indiana, for the period from January 1, 2012 to December 31, 2013, is true and correct to the best of my knowledge and belief.

Melissa Griffin
Field Examiner

Subscribed and sworn to before me this 6 day of March, 2014

Cassie A. Winters
Notary Public

My Commission Expires: 8-18-18

County of Residence: Pike

