



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

Rob Sand
Auditor of State

State Capitol Building
Des Moines, Iowa 50319-0006
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NEWS RELEASE

Contact: Brian Brustkern
515/281-5834

FOR RELEASE

November 17, 2023

Auditor of State Rob Sand today released an agreed-upon procedures report on Allen Township in Warren County, Iowa for the period July 1, 2019 through June 30, 2021. The agreed-upon procedures engagement was performed at the request of the Board of Township Trustees.

Sand reported seven findings pertaining to the receipt and disbursement of taxpayer funds. The findings are found on pages 7 and 8 of this report. The findings address proper notice of trustee meetings, sufficient details in agendas, adequate detail in the minutes, adequate support and approval of all disbursements and the use of written agreements. Sand provided the Township with recommendations to address each of the findings.

The Board of Township Trustees have a fiduciary responsibility to provide oversight of the Township's operations and financial transactions. Oversight is typically defined as the "watchful and responsible care" a governing body exercises in its fiduciary capacity.

A copy of the agreed-upon procedures report is available for review on the Auditor of State's website at [Audit Reports – Auditor of State](#).

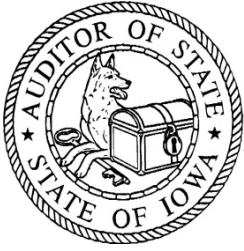
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**ALLEN TOWNSHIP
IN WARREN COUNTY, IOWA**

**AUDITOR OF STATE'S INDEPENDENT REPORT
ON APPLYING AGREED-UPON PROCEDURES**

**FOR THE PERIOD
JULY 1, 2019 THROUGH JUNE 30, 2021**

Allen Township



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Rob Sand
Auditor of State

November 3, 2023

Trustees of Allen Township
Warren County, Iowa

Dear Board of Trustees of Allen Township:

I am pleased to submit to you this agreed-upon procedures report for Allen Township, Warren County, Iowa, for the period July 1, 2019 through June 30, 2021. The agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards.

I appreciate the cooperation and courtesy extended by the officials and employees of Allen Township throughout the agreed-upon procedures engagement. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

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Allen Trustee

Officials

(Before January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Steve Benhart	Trustee	Jan 2021
Woody Fogle	Trustee	Jan 2021
Alex Hammer	Trustee	Jan 2023
Peggy Fogel	Township Clerk	Jan 2023

(After January 2021)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Alex Hammer	Trustee	Jan 2023
Woody Fogle	Trustee	Jan 2025
Veronica O'Hern	Trustee	Jan 2025
Peggy Fogel	Township Clerk	Jan 2023



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Auditor of State's Independent Report on Applying Agreed-Upon Procedures

To the Board of Trustees of Allen Township:

We have performed the procedures below which were agreed to by Allen Township, Warren County, Iowa for the period July 1, 2019 through June 30, 2021 based on a request from the Board of Township Trustees. Allen Township's management, which agreed to the performance of the procedures performed, is responsible for compliance with these requirements and for the Township's records.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards for attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States. Allen Township's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to report recommendations pertaining to selected accounting records and related information of the Township, including the Township's compliance with certain Code of Iowa requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

1. We observed the procurement and bidding process for goods and services.
2. We observed the Township meeting minutes for compliance with Chapters 21 and 359 of the Code of Iowa.
3. We traced selected disbursements to proper approval, adequate supporting documentation, accurate accounting and compliance with the public purpose criteria established by Article III, Section 31 of the Constitution of the State of Iowa.

Based on the performance of the procedures described above, we identified various findings and recommendations for the Township. Our findings and recommendations are described in the Detailed Findings and Recommendations section of this report. Unless reported in the Detailed Findings and Recommendations, items of non-compliance were not noted during the performance of the specific procedures listed above.

We were engaged by Allen Township's Board of Trustees to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the specific accounting records and related information of the Township, including compliance with specific Code of Iowa requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Allen Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to report certain agree-upon procedures and the resulting findings and recommendations pertaining to selected accounting records and related information of the Township, including the Township's compliance with certain Code of Iowa requirements. This report is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Allen Township during the course of our agreed-upon procedures engagement. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



Brian R. Brustkern, CPA
Director

November 3, 2023

Detailed Findings and Recommendations

Allen Township

Detailed Findings and Recommendations

For the Period July 1, 2019 through June 30, 2021

- A. Board Minutes – Chapter 359.17 of the Code of Iowa required the Board to meet not less than two times per year. At least one of the meetings shall be specifically for the purpose of preparing and adopting the budget by resolution as required by section 359.49 of the Code of Iowa. In addition, Chapter 359.17(2) required the Board to give notice for meetings at least twenty-four hours preceding the commencement of the meeting. The notice should state the time, date and place of the meeting and the proposed agenda. The notice should be provided to the County Auditor for posting in the courthouse where notices to the public are commonly posted.

The following were noted:

- Meetings were not proceeded by proper notice. Notice was not provided to the County Auditor, so was not posted in the Courthouse.
- For the year ended June 30, 2020, three meetings were scheduled, however one meeting had a note indicating there was not a meeting and another meeting noted individual conversations were had on separate days with two of the Trustees, so there was insufficient indication there was a quorum. Therefore, at least two meetings were not held during the fiscal year.
- The Board of Trustee minutes for two meetings did not include the place of the meeting to indicate the meetings were held at a place reasonably accessible to the public and one meeting did not include the time to indicate the meeting was held at a time reasonably convenient to the public in accordance with Chapter 21.3(2) and 21.4(1)(b) of the Code of Iowa.
- The Board of Trustee minutes for three meetings did not include information sufficient to indicate the note of each member present as required by Chapter 21.3 of the Code of Iowa.
- The Board of Trustees prepared and approved a budget; however, the budget was not adopted by a resolution as required by Chapter 359.49(7) of the Code of Iowa.

Recommendation – The Township should provide the notice of each meeting to the County Auditor at least twenty-four hours preceding the commencement of the meeting. The notice should state the time, date and place of the meeting and the proposed agenda as required by Chapter 359.17 of the Code of Iowa. The agenda should provide sufficient details of items to be discussed. The Township should ensure they meet not less than two times a year as required by Chapter 359.17 of the Code of Iowa. Additionally, minutes should include the place and time of the meeting as required by Chapter 21.3(2) and 21.4(1)(b) of the code of Iowa. The Township the minutes should include information sufficient to indicate the vote of each member present as required by Chapter 21.3 of the Code of Iowa. Also ensure the minutes provide all the required information in accordance with Chapter 21 of the Code of Iowa. The Board of Trustees should adopt a resolution for the budget in accordance with Chapter 359.49(7) of the Code of Iowa and document this resolution in the minutes.

- B. Business Transactions – Woody Fogel, Trustee, was paid \$7,500 each year to mow one of the cemeteries in the Township. These mowing services were not bid to the public.

Recommendation – These transactions may represent a conflict of interest. The Township should consult legal counsel to determine the disposition of this matter.

Allen Township

Detailed Findings and Recommendations

For the Period July 1, 2019 through June 30, 2021

- C. Mowing Services – The City of Carlisle provides mowing services to one of the cemeteries in the Township. A formal, written agreement specifying the terms of the arrangement, including the duration of the agreement, the agreed upon cost of the service and how often the services would be provided, was not entered into.

Recommendation – The Board of Trustees should formally enter into an agreement which is in writing and includes the terms of the agreement and duration and should include signatures of both parties.

- D. Debit Card – The Township has a debit card available for use and paid an annual fee for this.

Recommendation – The Board of Trustees should prohibit the use of a debit card for Township purchases. Debit cards provide immediate access to the Township's funds. Unlike credit cards, debit cards offer limited ability to set guidelines for access and limited, if any, repercussions for fraudulent transactions.

- E. Disbursements – The following items were noted:

- Five of nineteen transactions observed were not properly supported by an invoice, contract or purchase order.
- The nineteen transactions observed did not document proper authorization for payment in accordance with Chapter 359.21(1) of the Code of Iowa.

Recommendation – The Township should maintain supporting documentation for all disbursements. In addition, all disbursements should document the approval by the Township trustees in accordance with Chapter 359.21(1) of the Code of Iowa.

- F. Questionable Disbursements – Certain disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979, since the public benefits to be derived have not been clearly documented were noted. \$12 was paid to ETC Graphics for sales tax.

As a governmental entity, the Township maintains a tax-exempt status. As a result, the Township should not incur any sales tax.

Recommendation – The Township should ensure procedures are implemented which ensure sales tax is not paid for purchases made for Township operations.

- G. Electronic Check Retention – Chapter 554D.114 of the Code of Iowa allows the Township to retain cancelled checks in an electronic format and requires retention in this manner to include an image of both the front and back of each cancelled check. The Township does not receive an image of the back of each cancelled check for all bank accounts.

Recommendation – The Township should obtain and retain images of both the front and back of cancelled checks for all bank accounts as required by Chapter 554D.114 of the Code of Iowa.

Allen Township

Staff

This engagement was performed by:

Brian R. Brustkern, CPA, Director
Pamela J. Bormann, CPA, Manager
Anthony M. Heibult, Senior Auditor II