

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
WEST CENTRAL CONSERVANCY DISTRICT
HENDRICKS COUNTY, INDIANA
January 1, 2012 to December 31, 2015



FILED
04/25/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Examination Results and Comments:	
Compensation and Benefits	4
Internal Controls	4
Exit Conference	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
District Manager	Debra K. Sillery Ron Goff	01-01-12 to 09-06-13 09-07-13 to 12-31-16
Financial Clerk	Charles Dorton Virgil Underwood William Holland W. James Webb	01-01-12 to 12-31-12 01-01-13 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16
Chairman of the Board Of Directors	Paul Allen Karl Buetow William Holland Virgil Underwood Linda L. Scott	01-01-12 to 12-31-12 01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE WEST CENTRAL CONSERVANCY
DISTRICT, HENDRICKS COUNTY, INDIANA

This report is supplemental to our examination report of the West Central Conservancy District (District), for the period from January 1, 2012 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the District. It should be read in conjunction with our Financial Statements Examination Report of the District, which provides our opinion on the District'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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

March 2, 2016

WEST CENTRAL CONSERVANCY DISTRICT EXAMINATION RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

Compensation and benefits were paid to District employees (not including the Board members) who were not included on the salary ordinance or resolution. The compensation and benefits paid to these employees during the examination period was \$3,377,632.

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 Special Districts, Chapter 14)

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient due to the following weaknesses: The District did not have a system in place to ensure management approval of bank reconciliations, financial reports, and adjustments to the accounting records made by the district's consultant.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

WEST CENTRAL CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on March 2, 2016, with Ron Goff, District Manager; Linda L. Scott, Chairman of the Board of Directors; W. James Webb, Financial Clerk; Bruce Caveny, Business Manager; Gary Padgett, Assistant District Manager; and Phil Agresta, CPA, Conservancy District Accountant.