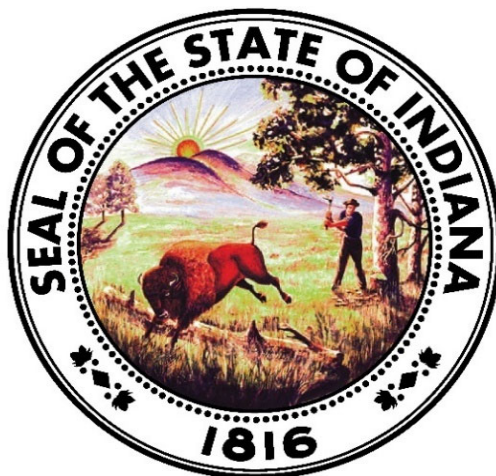


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

COMPLIANCE REPORT
OF
HONEY CREEK FIRE PROTECTION DISTRICT
VIGO COUNTY, INDIANA
January 1, 2022 to December 31, 2022



FILED

10/05/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Jane A. Hadley	01-01-22 to 12-31-23
President of the District Board	Joseph M. Shackelford	01-01-22 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE HONEY CREEK FIRE PROTECTION DISTRICT, VIGO COUNTY, INDIANA

The Honey Creek Fire Protection District (District) is considered a component unit of the Vigo County (County) under accounting principles generally accepted in the United States of America. The District's financial information was audited as part of the County's financial statements for the period from January 1, 2022 to December 31, 2022. The Financial Statements Audit Report of the County, which provides our opinions on the County's financial statements and which includes the District's financial information, 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 Audit Result and Comment contained herein describes an identified reportable instance of noncompliance found as a result of these procedures for the District. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

The District'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 Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

September 29, 2023

HONEY CREEK FIRE PROTECTION DISTRICT
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

Internal control activities should be implemented to reduce the risk of error and/or fraud in the financial statements. The District had not separated incompatible activities related to financial reporting. The failure to establish internal controls could have enabled material misstatements to be undetected.

Financial Reporting

The Financial Clerk compiled and submitted the information in the Indiana Gateway for Government Units financial reporting system, which was the source for the Annual Financial Report and the financial statements, without a documented oversight, approval, or review process in place to ensure the accuracy of the information submitted.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

HONEY CREEK FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2023, with Jane A. Hadley, Financial Clerk, and Joseph M. Shackelford, President of the District Board.