

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF LIGONIER

NOBLE COUNTY, INDIANA

January 1, 2021 to December 31, 2022



**FILED**  
11/29/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Barbara J. Hawn	01-01-21 to 12-31-23
Mayor	Patricia Fisel (Vacant) Earle Franklin	01-01-21 to 04-25-23 04-26-23 to 05-10-23 05-11-23 to 12-31-23
President of the Board of Public Works and Safety	Patricia Fisel (Vacant) Earle Franklin	01-01-21 to 04-25-23 04-26-23 to 05-10-23 05-11-23 to 12-31-23
President Pro Tempore of the Common Council	Kenneth Schuman	01-01-21 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF LIGONIER, NOBLE COUNTY, INDIANA

This report is supplemental to the audit report of the City of Ligonier (City), for the period from January 1, 2021 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Financial Statement Audit Report of the City, which provides our opinions on the City's financial statement. This report may be found at [www.in.gov/sboa/](http://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 describe the identified reportable instance 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 Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

November 16, 2023

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CLERK-TREASURER  
CITY OF LIGONIER

CLERK-TREASURER  
CITY OF LIGONIER  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS**

*Condition and Context*

There was a deficiency in the internal control system of the City related to financial close and reporting. For the 2022 Annual Financial Report, the City submitted the financial information into the Indiana Gateway for Government Units financial reporting system, which was the source of the financial statement, from the City's accounting system. There was no evidence of a review, oversight, or approval process by the City to detect and correct errors prior to the submission.

*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. . . ."

CLERK-TREASURER  
CITY OF LIGONIER  
EXIT CONFERENCE

The contents of this report were discussed on November 16, 2023, with Barbara J. Hawn, Clerk-Treasurer; Earle Franklin, Mayor; Kenneth Schuman, President Pro Tempore of the Common Council.