

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MONROE FIRE PROTECTION DISTRICT

MONROE COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

09/26/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	C. Edward Brown (deceased) (Vacant) Michael Baker	01-01-23 to 08-27-23 08-28-23 to 09-12-23 09-13-23 to 12-31-24
Chair of the District Board	Vicky Sorensen	01-01-23 to 12-31-24
Fire Chief	Dustin C. Dillard	01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MONROE FIRE PROTECTION DISTRICT, MONROE COUNTY, INDIANA

This report is supplemental to the audit report of the Monroe Fire Protection District (District), for the period from January 1, 2023 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the District. It should be read in conjunction with the Financial Statement Audit Report of the District, which provides our opinions on the District's financial statement. 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 Audit 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 Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

September 12, 2024

MONROE FIRE PROTECTION DISTRICT
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

Although the District had established a system of internal controls over financial close and reporting, the internal controls were not effective in preventing, or detecting and correcting, material misstatements. As a result, there were deficiencies in the internal control system of the District related to the financial close and reporting process as discussed in the annual financial report comment.

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. . . ."

MONROE FIRE PROTECTION DISTRICT
AUDIT RESULTS AND COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT

Condition and Context

Financial information is required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The District had not established effective internal controls over the financial close and reporting process for the information entered into Gateway.

Due to the lack of internal controls, the AFR presented for audit included the following errors:

- General Fund receipts were overstated by \$6,080,208.
- General Fund disbursements were overstated by \$6,077,675.
- Special Fire Cumulative receipts were overstated by \$1,280,135.
- Special Fire Cumulative disbursements were overstated by \$1,280,135.

Adjustments were proposed, accepted by the District, and made to the entries reported in the Gateway.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. 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](#)."

MONROE FIRE PROTECTION DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2024, with Dustin C. Dillard, Fire Chief; Vicky Sorensen, Chair of the District Board; Lorie Robinson, Financial Administrative Assistant; and Tammy Bovenschen, Administrative Assistant.