

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

HARRISON COUNTY SOIL AND WATER  
CONSERVATION DISTRICT  
HARRISON COUNTY, INDIANA

January 1, 2011 to December 31, 2016



**FILED**  
11/06/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Virginia E. Morris	01-01-11 to 12-31-17
Chairman of the Board	Paul Hauswald Michael Wolfe	01-01-11 to 12-31-15 01-01-16 to 12-31-17



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE HARRISON COUNTY SOIL AND WATER  
CONSERVATION DISTRICT, HARRISON COUNTY, INDIANA

This report is supplemental to our examination report of the Harrison County Soil and Water Conservation District (District), for the period from January 1, 2011 to December 31, 2016. 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/](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 Examination Result and Comment contained herein describes 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

September 21, 2017

HARRISON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXAMINATION RESULT AND COMMENT

***INTERNAL CONTROLS***

Internal controls over the year-end closing of financial records and reporting were insufficient because the District did not have sufficient segregation of duties. The Treasurer performed all duties regarding the year-end closing and reporting. The Treasurer entered the financial information into Gateway for financial reporting in the Annual Financial Report. There was no indication of a review process to verify the information was accurate.

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. . . ."

HARRISON COUNTY SOIL AND WATER CONSERVATION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2017, with Virginia E. Morris, Treasurer, and Michael Wolfe, Chairman of the Board.