

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
PERSHING TOWNSHIP FIRE PROTECTION DISTRICT  
JACKSON COUNTY, INDIANA  
January 1, 2011 to December 31, 2016



**FILED**  
04/06/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Reah D. Ault (deceased) Vickie Fleetwood	01-01-11 to 04-30-15 05-01-15 to 12-31-18
President of the District Board	Lloyd Gastineau David Ellis	01-01-11 to 12-31-16 01-01-17 to 12-31-18



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE PERSHING TOWNSHIP FIRE PROTECTION  
DISTRICT, JACKSON COUNTY, INDIANA

This report is supplemental to our examination report of the Pershing Township Fire Protection 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 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

February 22, 2018

PERSHING TOWNSHIP FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS

***INTERNAL CONTROLS***

There was no evidence that a proper internal control structure existed in the District. A proper internal control structure would have adequate control activities. The District had not separated incompatible activities related to Financial Close and Reporting. The failure to establish these controls could have enabled misstatements to remain undetected.

The Treasurer was the sole person responsible for all Financial Close and Reporting processes. There were no controls in place to monitor, review, or determine the accuracy of the financial transactions and financial statements.

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. . . ."

PERSHING TOWNSHIP FIRE PROTECTION DISTRICT  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***INTERNAL CONTROL TRAINING***

The District had not provided the required training relevant to the adoption of internal controls.

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

***CERTIFICATION ON INTERNAL CONTROL STANDARDS***

The Treasurer improperly certified that the District had provided training to relevant personnel as required.

Indiana Code 5-11-1-27(h) states:

"After June 30, 2016, the fiscal officer of a political subdivision shall certify in writing that:

- (1) the minimum internal control standards and procedures defined under subsection (e) have been adopted by the political subdivision; and
- (2) personnel, who are not otherwise on leave status, have received training as required by subsection (g)(2).

The certification shall be filed with the state board of accounts at the same time as the annual financial report required by section 4(a) of this chapter is filed. The certification shall be filed electronically in the manner prescribed under IC 5-14-3.8-7."

PERSHING TOWNSHIP FIRE PROTECTION DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on February 22, 2018, with David Ellis, President of the District Board; Andy J. Blank, Vice President of the District Board; and Vickie Fleetwood, Treasurer.