

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ISLAND LEVEE CONSERVANCY DISTRICT

SULLIVAN COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
04/12/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	William Ferree	01-01-12 to 12-31-15
	Alan Badger	01-01-16 to 01-27-18
	Kelly Steele	01-28-18 to 12-31-18
President of the District Board	Joe Eslinger	01-01-12 to 07-01-15
	Ed Easter	07-02-15 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE ISLAND LEVEE CONSERVANCY
DISTRICT, SULLIVAN COUNTY, INDIANA

This report is supplemental to our examination report of the Island Levee Conservancy District (District), for the period from January 1, 2012 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.

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 26, 2018

ISLAND LEVEE CONSERVANCY DISTRICT
EXAMINATION RESULTS AND COMMENTS

INTERNAL CONTROLS - MINIMUM STANDARDS

The District failed to adopt minimum internal control standards and procedures as prescribed by the Indiana State Board of Accounts.

INTERNAL CONTROLS - TRAINING

The District did not provide the required training relevant to the adoption of internal controls.

Indiana 5-11-1-27(g) states:

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

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (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 adopted internal control standards and had provided training to relevant personnel as required, when in fact it had not done either.

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."

ISLAND LEVEE CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 26, 2018, with Ed Easter, President of the District Board, and Kelly Steele, Treasurer.