

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
JORDAN CREEK CONSERVANCY DISTRICT  
WARREN COUNTY, INDIANA  
January 1, 2015 to December 31, 2018



**FILED**  
10/28/2019



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Financial Clerk	Charles N. Little	01-01-15 to 12-31-19
Chairman of the District Board	Gary J. Larch	01-01-15 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE JORDAN CREEK CONSERVANCY  
DISTRICT, WARREN COUNTY, INDIANA

This report is supplemental to our audit report of the Jordan Creek Conservancy District (District), for the period from January 1, 2015 to December 31, 2018. 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 our Financial Statements Audit Report of the District, which provides our opinion on the District'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 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 Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

September 11, 2019

JORDAN CREEK CONSERVANCY DISTRICT  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

There was a lack of segregation of duties in the following areas: cash, receipts, and financial close and reporting. The lack of internal controls was a systemic issue, which occurred throughout the audit period.

*Cash*

The Financial Clerk receives the bank statement and prepares the reconciliation each month. There was no evidence of an internal control, such as an oversight, review, or approval process.

*Receipts*

The Financial Clerk receives payments, posts ledgers, and makes deposits. There was no evidence of an internal control, such as an oversight, review, or approval process.

*Financial Close and Reporting*

The Financial Clerk prepares and submits the District's Annual Financial Report each year. There was no evidence of an internal control, such as an oversight, review, or approval process.

*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. . . ."

JORDAN CREEK CONSERVANCY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on September 11, 2019, with Gary J. Larch, Chairman of the District Board; Charles N. Little, Financial Clerk; and Robert Silvers, District Board member.