

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

LAKE DETURK CONSERVANCY DISTRICT

MORGAN COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED
04/13/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Don Lipps	01-01-20 to 12-31-20
	Gary Rohland	01-01-21 to 12-31-21
	Lanny Wood	01-01-22 to 12-31-22
Financial Clerk	Anna K. Radue	01-01-20 to 05-17-21
	Joseph Cleveland	05-18-21 to 12-31-22
President of the District Board	Charles D. Wood, Jr.	01-01-20 to 12-31-20
	Ken Everhart	01-01-21 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE LAKE DETURK CONSERVANCY
DISTRICT, MORGAN COUNTY, INDIANA

This report is supplemental to our audit report of the Lake DeTurk Conservancy District (District), for the period from January 1, 2020 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify the Audit Results and Comments that pertains to the District. It should be read in conjunction with our 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 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

April 11, 2022

LAKE DETURK CONSERVANCY DISTRICT
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

There was a deficiency in the internal control system of the District related to financial close and reporting. The District did not have an effective system of internal controls in place to prevent, or detect and correct, errors in the Annual Financial Report (AFR) entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the financial statement. The District Board approval of the AFR occurred after the submission into Gateway.

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. . . ."

LAKE DETURK CONSERVANCY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on April 11, 2022, with Joseph Cleveland, Financial Clerk.