

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
EAST PORTER COUNTY SCHOOL CORPORATION  
PORTER COUNTY, INDIANA  
July 1, 2013 to June 30, 2015



**FILED**  
07/15/2016



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Lisa Rosinko	07-01-13 to 06-30-16
Superintendent of Schools	Dr. Rodney Gardin	07-01-13 to 06-30-16
President of the School Board	Jill Bibler Frank Dessuit	01-01-13 to 12-31-15 01-01-16 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE EAST PORTER COUNTY SCHOOL  
CORPORATION, PORTER COUNTY, INDIANA

This report is supplemental to our audit report of the East Porter County School Corporation (School Corporation), for the period from July 1, 2013 to June 30, 2015. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

The Federal Findings, identified in the above referenced audit report, are included in this report and should be viewed in conjunction with the Audit Results and Comments as described below.

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 Corrective Action Plan for the Federal Findings and Official Response to the Audit Result and Comment, incorporated within this report, were not verified for accuracy.

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

April 27, 2016

EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS

***FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation should have had proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

The SEFA was prepared and entered into the Gateway reporting system by the Treasurer (Director of Business and Human Resource Affairs). There were no controls in place to ensure that the SEFA was accurate and correct prior to submitting.

The School Corporation did not report the commodities received for the National School Lunch Program. The failure to include the commodities caused the federal expenditures on the SEFA to be understated by \$72,517 and \$72,497 for the years ended June 30, 2014 and 2015, respectively. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states in part:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.  
...

***FINDING 2015-002 - INTERNAL CONTROLS OVER CHILD NUTRITION CLUSTER***

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Years: SY 2013-2014, SY 2014-2015

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Procurement and Suspension and Debarment, and Reporting. The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

*Activities Allowed or Unallowed and Allowable Costs/Cost Principles*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles requirements of the programs. Over 49 percent of grant expenditures for the Child Nutrition Cluster were for payroll and payroll-related benefits. There were not controls in place to ensure that the payroll and payroll-related benefit expenditures paid from the Child Nutrition Cluster programs were accurate and correct.

*Procurement and Suspension and Debarment*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Procurement and Suspension and Debarment requirements of the program. The School Corporation utilized a third-party for food service bids. The third-party administered the bidding process as well as verified that the vendors were not suspended or debarred and made a recommendation to the School Corporation. However, the School Corporation and Board of School Trustees never formally approved or awarded the bids. There were no controls in place to ensure that vendors relating to food service bids were not suspended or debarred.

*Reporting*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Reporting requirements of the programs. There were no controls in place to ensure that the Annual Financial Report was accurate and correct prior to submitting.

EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

***FINDING 2015-003 - CASH MANAGEMENT***

Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Years: SY 2013-2014, SY 2014-2015  
Pass-Through Entity: Indiana Department of Education

The School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirement: Cash Management. The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the School Lunch fund monthly cash balances are limited to the average expenditures for three months. There was no oversight, review, or monitoring of the cash balances.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.



EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

The School Corporation was not in compliance with the Cash Management requirements of the program. The cash balance of the School Lunch fund exceeded the average expenditures for three months for all 24 months of the audit period. On average, the cash balance exceeded the average expenditures for three months by \$150,897 and \$86,332 for the 2013-2014 and 2014-2015 school years, respectively.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

7 CFR 210.14(b) states in part: "*Net cash resources*. The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service . . ."

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction . . .

(iv) Limit its net cash resources to an amount that does not exceed three months average expenditure for its nonprofit school food service . . ."

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management requirement. In addition, we recommended the School Corporation comply with the Cash Management requirement of the programs.

***FINDING 2015-004 - SUBRECIPIENT MONITORING***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Number): 13-6510, 14-6510, 15-6510

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Subrecipient Monitoring compliance requirement. The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The School Corporation did not have adequate controls in place to comply with the Subrecipient Monitoring requirement of the Title I Grants to Local Educational Agencies (Title I) program. There were no controls in place over the Subrecipient Monitoring compliance requirement.

EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

The School Corporation did not fully comply with the Subrecipient Monitoring requirement. The School Corporation provided Title I funds to a subrecipient that was required to submit a signed statement of assurances; however, the statement did not include all of the required components for compliance with Subrecipient Monitoring requirements. The subrecipient was required to sign a Statement of Assurances and a Title I Subrecipient Agreement Supplement, but the School Corporation did not inform the subrecipient of all the necessary information. Neither the Statement of Assurances nor the Subrecipient Agreement Supplement included award information such as the CFDA title and number, award name and number, the name of the federal awarding agency, or the subrecipient audit requirements.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

OMB Circular A-133, Subpart D, section .400(d) states in part:

"Pass-through entity responsibilities. A pass-through entity shall perform the following for the federal awards it makes:

- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name, award year, if the award is R & D, and name of the Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. . . ."

The failure to establish internal controls enabled material noncompliance to remain undetected. Noncompliance with the grant agreement or the compliance requirement that has a direct and material effect on the programs could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls related to the grant agreement and the Subrecipient Monitoring requirements. We also recommended that the School Corporation comply with Subrecipient Monitoring requirements.

EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2015-005 - INTERNAL CONTROLS OVER SPECIAL EDUCATION CLUSTER***

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States, Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years: 14213-050-PN01, 14214-050-PN01, 14215-050-PN01,  
99914-050-TA01, 45714-050-PN01, 45715-050-PN01

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Level of Effort - Maintenance of Effort, and Period of Availability. The failure to establish an effective internal control system placed the school at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

*Activities Allowed or Unallowed and Allowable Costs/Cost Principles*

Over 95 percent of grant expenditures were for payroll and payroll-related benefit costs for special education personnel. One employee was responsible for the preparation, recording, and payment of the bi-weekly payroll and payroll-related benefit costs. There were no controls in place to ensure that the payroll and payroll-related benefits costs were accurate or correct and that supporting documentation was maintained. Policies and procedures have also not been designed or implemented to ensure that required periodic certifications were prepared for all personnel paid solely from federal funds or that timesheets for hourly employees indicated the program or fund from which the employee will be paid.

*Level of Effort - Maintenance of Effort (MOE)*

The School Corporation had not designed or implemented policies and procedures to ensure that the MOE calculation was accurate or that supporting documentation was maintained. One individual calculated and reported the MOE. There were no controls in place to ensure that the MOE calculation was accurate or correct and that supporting documentation was maintained.

*Period of Availability*

The School Corporation historically expended the available funds within the period of availability. The School Corporation had established a review process related to period of availability; however, there was no documentation to support the review.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

***FINDING 2015-006 - INTERNAL CONTROLS OVER TITLE I  
GRANTS TO LOCAL EDUCATIONAL AGENCIES***

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Number): 13-6510, 14-6510, 15-6510

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Availability, Special Tests and Provisions - Comparability. The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Activities Allowed or Unallowed and Allowable Costs/Cost Principles*

The School Corporation has not designed or implemented adequate policies and procedures to ensure compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles requirements of the program. Over 86 percent of the grant expenditures for the Title I grants were for payroll and payroll-related benefit costs. There were no controls in place to ensure that the payroll and payroll-related benefits expenditures paid from the Title I grants were accurate and correct.

*Period of Availability*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Period of Availability requirement of the program. The School Corporation historically expended the available funds within the Period of Availability. However, there were no controls in place to ensure that the payroll and payroll-related benefit expenditures were disbursed within the period of availability and that expenditures were not made from expired grant funds.

EAST PORTER COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Special Tests and Provisions - Comparability*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Special Tests and Provision - Comparability requirements of the program. As part of the Comparability Report, the School Corporation was required to report enrollment figures. There were no controls in place to ensure that supporting documentation for the reported enrollment was maintained.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirement listed above.



## CORRECTIVE ACTION PLAN

### ***FINDING 2015-001***

Contact Person Responsible for Corrective Action:

Lisa Rosinko, Director of Business and Human Resource Affairs

Contact Phone Number: 219-766-2214

### Description of Corrective Action Plan:

The Schedule of Expenditures of Federal Award (SEFA) is completed by the Director of Business and Human Resources Affairs and reviewed by the Deputy Treasurer. The supporting documentation for the SEFA report consists of the corporation financial account records and the food service account records to ensure that the school year end financial report is accurate. Internal controls in place to prevent, detect and correct errors on the SEFA report will include verification accuracy signature and date by the Director of Business Affairs and Human Resources and the Deputy Treasurer on the documentation prior to submitting the SEFA report on the Gateway reporting system.

### Anticipated Completion Date:

This action plan implementation for July 2016 for the 2015-2016 SEFA report.

A handwritten signature in black ink, appearing to read "Lisa Rosinko", is written over a horizontal line.

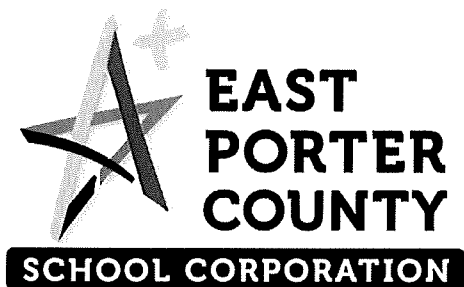
(Signature)

*Director of Business & HR. Affairs*

(Title)

*4-27-2016*

(Date)



## CORRECTIVE ACTION PLAN

### **FINDING 2015-002**

Contact Person Responsible for Corrective Action:

Lisa Rosinko, Director of Business and Human Resource Affairs

Contact Phone Number: 219-766-2214

### Description of Corrective Action Plan:

1. Activities Allowed and Allowable Costs/Cost Principles: (a) Food Service Personnel are required to clock in an electronic time card system daily. Work time is bi-weekly reviewed and approved by the Food Service Manager evidenced by the electronic signature submission from the Food Service Manager to the Payroll Clerk at the Administration Office. Payroll wage reports are reviewed and approved for accuracy bi-weekly, evidenced by signature, and date by the Payroll Clerk and the Director of Business and Human Resource Affairs prior to payroll issuance. These reports consist of detailed payroll documentation. Dual approval required for wage issuance to the banking institution by the Payroll Clerk, Deputy Treasurer and or the Director of Business and Human Resource Affairs. (b) Wage related benefits are paid bi-weekly, monthly and quarterly as part of the payroll wage issuance procedure. Benefits are directly paid by the Deputy Treasurer only after the Director of Business and Human Resource Affairs reviews and approves for disbursement evidence of signature and date.
2. Procurement, Suspension, and Debarment:  
Food services will be provided by a Food Service Management Company (FSMC). FSMC professional services will be reviewed and evaluated annually. Annual FSMC contracts will be reviewed and evaluated for renewal or termination by the school board each fiscal year.
3. Reporting: The Annual Financial Report (AFR) is completed by the Director of Business and Human Resource Affairs annually for electronic submission to the Indiana Department of Education Division of School and Community Nutrition web site. The report is compiled by food service and corporation records. Once the AFR is completed by the Director of Business and Human Resource Affairs, the Deputy Treasurer reviews and verifies accuracy, evidence of signature, and date on the report prior to submitting to the Indiana Department of Education School Nutrition web site.

### Anticipated Completion Date:

1.(a) Completed as of 1-27-2016

1.(b) Completed as of 4-21-2016

2. 5-11-2015 board approved Food Service Management Company for 7-1-2015 contract year

3. July 1, 2016 for the 2015-2016 AFR report.

(Signature)

*Director of Business & H.R. Affairs*

(Title)

*4-27-2016*

(Date)

(219) 766-2214

Post Office Box 370

(219) 766-2885 fax

502 East College Avenue

Kouts, Indiana 46347



## CORRECTIVE ACTION PLAN

### **FINDING 2015-003**

Contact Person Responsible for Corrective Action:

Lisa Rosinko, Director of Business and Human Resource Affairs

Contact Phone Number: 219-766-2214

### Description of Corrective Action Plan:

Internal controls and procedures are in place to verify and reconcile cash balance, receipts and disbursements by fund monthly. School Lunch fund compliance is carefully monitored not to exceed a three month average cash balance as part of the Deputy Treasurer and Director of Business and Human Resource Affairs monthly fund balancing report. The Deputy Treasurer and Director of Business and Human Resource Affairs sign and date this report as part of the monthly review and approval procedure.

### Anticipated Completion Date:

Monthly fund balancing report commenced August 2008.

School breakfast and lunch cash balance compliance 2015-2016.

(Signature)

Director of Business & H.R. Affairs

(Title)

4-27-2016

(Date)





## CORRECTIVE ACTION PLAN

### ***FINDING 2015-004***

Contact Person Responsible for Corrective Action: Brandie Muha, Title I Grant Coordinator

Contact Phone Number: Brandie Muha 219-766-2214

#### Description of Corrective Action Plan:

1. Subrecipient Monitoring: The East Porter County School Corporation Title I Subrecipient Agreement Supplement has been revised to include the CDFA title and number, name of the federal awarding agency, award year, and a statement letting subrecipient know that an annual request will be made to obtain the most current federal audit reports, if available.

This plan will be implemented August 2016:

Brandie Muha  
(Signature)

Director of Curriculum  
(Title)

7/5/16  
(Date)

(219) 766-2214  
Post Office Box 370

Kouts, Indiana 46347

(219) 766-2885 fax  
502 East College Avenue



## CORRECTIVE ACTION PLAN

### **FINDING 2015-005**

Contact Person Responsible for Corrective Action:

Ms. Quinn Van Rys, Chief Financial Officer, Porter County Education Services Cooperative

Lisa Rosinko, Director of Business and Human Resource Affairs

Contact Phone Number: Quinn Van Rys: 219-850-1911 Lisa Rosinko: 219-766-2214

Description of Corrective Action Plan:

1. Activities Allowed, Allowable Costs and Period of Availability: PCES hourly employees' time sheets will be matched with the payroll accounting code report that indicates which employees were paid from which accounts. The report and times sheets will be reviewed to insure correct payment of personnel and such review evidenced by the PCES CFO (initial & date). The certified teaching staff hired by the PCES board specifically for special education is for grant eligible positions. Certified staff members and the account codes from which they are paid are also included with the payroll account code report review process.

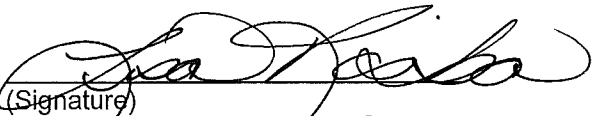
2. Period of Availability: Monthly, PCES personnel review the summary of receipts and expenditures for each grant fund. A comparison of YTD receipts, expenditures, and total approved budget amounts for each grant provides on-going monitoring to determine the amount of grant funds still available for expenditure. Once the budget amount has been expended, the grant fund accounts are closed (deactivated) so that additional expenditures from a subsequent period cannot be charged to the completed grant. Such review will be evidenced by initial and date of the PCES reviewer.

3. Level of Effort – Maintenance of Effort (MOE): PCES personnel calculate the member school corporations' MOE each fiscal year. PCES will complete the calculation, summarize the underlying data, and provide that information to each member district for review/acknowledgement and evidence of such by the member district. PCES will maintain this evidenced documentation for audit review.

East Porter County School Corporation will request PCES to provide these items for East Porter County School Corporation personnel to review these processes for compliance. East Porter County School Corporation personnel will evidence such review by signature and date on the corresponding documents.

Anticipated Completion Date:

1. This plan was implemented beginning with the 9-18-2015 payroll.
2. This plan was in place prior to the audit review but formal evidence began September 2015.
3. This plan will be implemented during the next calculation of MOE for state reporting.

  
(Signature)

Director of Business & HR  
(Title)

4-27-2016  
(Date)



## CORRECTIVE ACTION PLAN

### ***FINDING 2015-006***

Contact Person Responsible for Corrective Action: Brandie Muha, Title I Grant Coordinator

Contact Phone Number: Brandie Muha 219-766-2214

#### Description of Corrective Action Plan:

1. Activities Allowed and Allowable Costs/Cost Principles/Period of Availability: a) Payroll wage reports are reviewed and approved for accuracy bi-weekly evidence of signature and date by the Payroll Clerk and the Director of Business and Human Resource Affairs prior to payroll issuance. These reports consist of detailed payroll documentation. Dual approval required for wage issuance to the banking institution by the Payroll Clerk, Deputy Treasurer and or the Director of Business and Human Resource Affairs. b) Wage related benefits are paid bi-weekly, monthly and quarterly as part of the payroll wage issuance procedure. Benefits are directly paid by the Deputy Treasurer only after the Director of Business and Human Resource Affairs reviews and approves for disbursement evidence of signature and date.
2. Special Tests and Provisions-Comparability: The school principals will provide enrollment figures for Comparability requirements. The Title I Coordinator will print enrollment reports from student management system to review and approve for evidence of Comparability and will sign and date as documentation of approval.

#### Anticipated Completion Date:

1. a) Completed as of 1-27-2016  
b) Completed as of 4-21-2016
2. This plan will be implemented August 2016

Brandie Muha  
(Signature)

Director of Curriculum  
(Title)

4/25/14  
(Date)

(219) 766-2214  
Post Office Box 370

(219) 766-2885 fax  
502 East College Avenue

Kouts, Indiana 46347

EAST PORTER COUNTY SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

***OFFICIAL BOND RECORDED***

The Official Bonds of the Treasurer were not recorded with the County Recorder for the 2014-2015 and 2015-2016 school years.

The State Board of Accounts is of the audit position bonds should be filed and recorded in the office of the county recorder. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

EAST PORTER COUNTY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2016, with Frank Dessuit, President of the School Board; Dr. Rodney Gardin, Superintendent of Schools; and Lisa Rosinko, Treasurer.