

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DALEVILLE COMMUNITY SCHOOLS

DELAWARE COUNTY, INDIANA

July 1, 2013 to June 30, 2015



**FILED**  
09/29/2016



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SCHEDULE OF OFFICIALS

| <u>Office</u>                    | <u>Official</u> | <u>Term</u>          |
|----------------------------------|-----------------|----------------------|
| Treasurer                        | Theresa Edwards | 07-01-13 to 12-31-16 |
| Superintendent<br>of Schools     | Paul Garrison   | 07-01-13 to 06-30-19 |
| President of the<br>School Board | P. Diana Evans  | 07-01-13 to 12-31-16 |



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TO: THE OFFICIALS OF THE DALEVILLE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

This report is supplemental to our audit report of the Daleville Community Schools (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 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 Corrective Action Plan for the Federal Findings and Official Response to the Audit Results and Comments, incorporated within this report, were not verified for accuracy.

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

August 9, 2016

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS

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

*Condition*

There was a deficiency in the internal control system of the School Corporation related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA. The School Corporation Treasurer prepared the SEFA and the Superintendent reviewed the SEFA; however, there were expenditures of \$129,359 and \$172,592 during school years 2013-2014 and 2014-2015, respectively, that the Delaware Blackford Special Education Cooperative (Cooperative) made on behalf of the School Corporation that were not reported in the Special Education Cluster. These omissions also caused the total federal expenditures to be incorrectly reported. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*Cause*

Management had not established a system of internal controls that could have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could remain undetected. The SEFA contained the errors identified in the *Condition*.

*Criteria*

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:

"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:

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (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.
- (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.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

*View of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-002 - REPORTING***

Federal Agency: Department of Education

Federal Program: Special Education\_Preschool Grants

CFDA Number: 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 45713-010-PN01, 45714-010-PN01,  
45715-010-PN01

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system, which would have included segregation of duties, was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Reporting. Reports for the Special Education\_Preschool Grants were prepared and approved by the same individual. There was no control procedure in place to ensure the accuracy of the Final Expenditure Reports prior to submission.

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Context*

The School Corporation was a member of the Delaware-Blackford Special Education Cooperative (Cooperative) and provided oversight of the Cooperative via the School Corporation's Superintendent of Schools, who served as a member of the Cooperative Board. The Cooperative acted as the fiscal agent of the School Corporation and submitted the Final Expenditure Reports on the School Corporation's behalf. However, the Cooperative had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the Reporting compliance requirement.

*Criteria*

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. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

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.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*View of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2015-003 - CASH MANAGEMENT, ELIGIBILITY, PROGRAM INCOME, REPORTING, AND SPECIAL TESTS AND PROVISIONS - VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS**

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program and National School Lunch Program

CFDA Numbers: 10.553, 10.555

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

Pass-Through Entity: Indiana Department of Education

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Condition*

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Program Income, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications.

*Context*

*Cash Management*

A control process had not been established to ensure that the School Lunch fund's net cash resources were limited to the average expenditures for three months.

*Eligibility*

The Food Service Director performed the calculations and determined the classification of the free and reduced lunch applications for both audit years. The Food Service Secretary was to review the applications for accuracy. There was no evidence that the Food Service Secretary reviewed the decisions for FY 13-14 on a regular basis. However, for FY 14-15, the Food Service Secretary initialed the applications in her review for accuracy.

*Program Income*

The Food Service Director at the Jr.-Sr. High School and a Cook at the Elementary School counted the number of meals served per day and footed the numbers for the month. However, there was no control in place to ensure the accuracy of the figures.

*Reporting*

The Sponsor Claims (claims for reimbursement) were independently prepared and submitted by the Food Service Director. There was no oversight, review, or approval process or other control in place to ensure the Sponsor Claims (claims for reimbursement) were correct. The Annual Financial Reports (AFR) were prepared and submitted by the Food Service Director. There was no control procedure in place to ensure the accuracy of the AFRs submitted.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications*

The Food Service Director performed the calculations and determined the classification of the free and reduced lunch applications. However, there was no control in place to ensure the accuracy of the figures.

*Criteria*

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. . . ."

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

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.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*View of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-004 - CASH MANAGEMENT, PERIOD OF AVAILABILITY OF FEDERAL FUNDS, AND REPORTING***

Federal Agency: Department of Education

Federal Program: Special Education\_Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-010-PN01, 14214-010-PN01,  
14215-010-PN01, 99914-10-TA01

Pass-Through Entity: Indiana Department of Education

*Condition*

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the following compliance requirements: Cash Management, Period of Availability of Federal Funds, and Reporting.

*Context*

*Cash Management*

No control process for the Cash Management requirement had been established for FY 13-14 to ensure that expenditures had been made before the Reimbursement Requests were prepared.

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Period of Availability of Federal Funds*

No control process for the Period of Availability requirement had been established for FY 13-14 to ensure that expenditures had been made during the period of availability before the Reimbursement Requests were prepared.

*Reporting*

No control process for the Reporting requirement had been established for FY 13-14 to ensure that expenditures as shown on the Reimbursement Requests were correct.

*Criteria*

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. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

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.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*View of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2015-005 - ACTIVITIES ALLOWED OR UNALLOWED, ALLOWABLE COSTS/  
COST PRINCIPLES, CASH MANAGEMENT, AND REPORTING***

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 Numbers): 14-1940, 15-1940

Pass-Through Entity: Indiana Department of Education

*Condition*

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Reporting.

*Context*

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

There was a lack of controls over the review of the Semi-Annual Certification Reports for FY 13-14. The same individual responsible for completing the report was the only reviewer of the report.

*Cash Management*

For FY 13-14, the Treasurer signed the Reimbursement Forms but there were no controls to ensure the accuracy of the requests. During FY 14-15, controls were established wherein the Treasurer signed and the Assistant Superintendent of Schools approved the requests.

*Reporting*

For FY 13-14, the Treasurer signed the Reimbursement Forms, but there were no controls to ensure the accuracy of the requests. During FY 14-15, controls were established wherein the Treasurer signed and the Assistant Superintendent of Schools approved the requests.

*Criteria*

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. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Effect*

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.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*View of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-006 - PROCUREMENT AND SUSPENSION AND DEBARMENT***

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY13-14, FY14-15

Pass-Through Entity: Indiana Department of Education

Federal Agency: Department of Education

Federal Program: Special Education\_Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-010-PN01, 14214-010-PN01  
14215-010-PN01, 99914-10-TA01

Pass-Through Entity: Indiana Department of Education

*Condition*

Management of the School Corporation had not established an effective internal control system, which would have included segregation of duties, related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Context*

The School Corporation had a control in place to ensure that a search of the System for Award Management was conducted; however, there was no evidence of the search.

DALEVILLE COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Criteria*

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. . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to maintain supporting documentation of internal control procedures prevented the ability to identify if the School Corporation was in compliance with the requirements for Procurement and Suspension and Debarment.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the compliance requirement listed above that have a direct and material effect on the programs.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



# Daleville Community Schools

14300 West 2nd Street • Daleville, Indiana 47334-9125  
Telephone (765) 378-3329 • FAX (765) 378-3649

## CORRECTIVE ACTION PLAN

### **FINDING 2015-001** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent  
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff was not aware of requirement to include Special Education expenses made through the Blackford-Delaware County Special Education Cooperative. We will familiarize ourselves with these and all requirements regarding SEFA, and will ensure all report requirements are met. We will have a process in place, including segregation of duties, to review and ensure each reimbursement request for expenditure compliance before they are submitted for reimbursement,

Anticipated Completion Date: Will implement immediately.

  
\_\_\_\_\_  
(Signature)

Paul Garrison, Superintendent  
(Title)

August 9, 2016  
(Date)



"At the Crossroads of the Future."



# Daleville Community Schools

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## CORRECTIVE ACTION PLAN

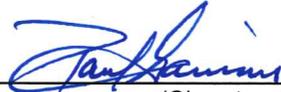
### **FINDING 2015-002** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent  
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff was not aware of requirement to include Special Education – Pre-school Grant expenses made through the Blackford-Delaware County Special Education Cooperative. We will familiarize ourselves with these and all requirements regarding SEFA, and will ensure all report requirements are met. The school administration will work in conjunction with the Board of Directors for the Blackford-Delaware County Special Education Cooperative to have a process in place, including segregation of duties, to review and ensure each reimbursement request for expenditure compliance before they are submitted for reimbursement,

Anticipated Completion Date: Will implement immediately.

  
\_\_\_\_\_  
(Signature)

Paul Garrison, Superintendent  
(Title)

August 9, 2016  
(Date)



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# Daleville Community Schools

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## CORRECTIVE ACTION PLAN

**FINDING 2015-003** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent  
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will familiarize ourselves with these and all requirements regarding school lunch program compliance, and will ensure all report requirements are met. The school administration will work to have a process in place, including segregation of duties, to review and ensure compliance of all requirements.

Anticipated Completion Date: Will implement immediately.

  
\_\_\_\_\_  
(Signature)

Paul Garrison, Superintendent  
(Title)

August 9, 2016  
(Date)



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## CORRECTIVE ACTION PLAN

### **FINDING 2015-004** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent  
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will familiarize ourselves with these and all requirements regarding Special Education Grant compliance, and will ensure all report requirements are met. The school administration will work to have a process in place, including segregation of duties, to review and ensure compliance of all requirements. Procedures were put in place for the SY 2014-2015 in order to ensure that a second employee was verifying that expenditures had been made during the period of availability before Reimbursement Requests were prepared. This procedure will continue to be diligently followed. Daleville Community Schools will continue to work with the Board for the Blackford-Delaware County Special Education Cooperative in order to ensure compliance to all required standards going forward.

Anticipated Completion Date: Will implement immediately.

(Signature)

Superintendent

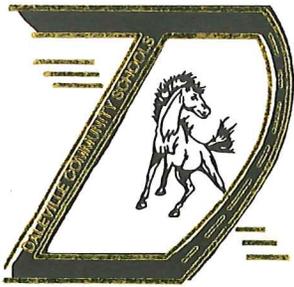
(Title)

August 9, 2016

(Date)



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## CORRECTIVE ACTION PLAN

### **FINDING 2015-005** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent  
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will familiarize ourselves with these and all requirements regarding Title I program compliance, and will ensure all report requirements are met. The school administration will work to have a process in place, including segregation of duties, to review and ensure compliance of all requirements. Semi-Annual Certification Reports began to be prepared for SY 2014-2015 and will continue to be completed in a timely manner.

Anticipated Completion Date: Will implement immediately, effective 2014-2015 school year.



(Signature)

Superintendent

(Title)

August 9, 2016

(Date)



"At the Crossroads of the Future."



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## CORRECTIVE ACTION PLAN

### **FINDING 2015-006** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Paul Garrison, Superintendent  
Contact Phone Number: 765-378-3329

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrative staff will implement effective internal controls and will follow all requirements of compliance, in regards to Federal Awards including those in regards to Procurement and Suspension and Debarment.

Anticipated Completion Date: Immediately

  
\_\_\_\_\_  
(Signature)

Paul Garrison, Superintendent  
(Title)

August 9, 2016  
(Date)



"At the Crossroads of the Future."

DALEVILLE COMMUNITY SCHOOLS  
AUDIT RESULTS AND COMMENTS

***NON-TEACHING CERTIFIED CONTRACTS NOT POSTED***

Review of the School Corporation's website showed that the current contracts for the Superintendent of Schools and the non-teaching certified employees are posted on the School Corporation's website for the public. The School Corporation did not have the non-teaching certified contracts posted on the School Corporation website prior to the current contracts being posted.

Indiana Code 20-26-5-4.3(d) states: "A governing body shall post the provisions of an employment contract that the governing body enters into with a superintendent of the school corporation on the school corporation's Internet web site."

Indiana Code 20-26-5-4.7(b) states: "The superintendent shall post the provisions of an employment contract that the school corporation enters into with a certificated employee on the school corporation's Internet web site."

***CONDITION OF RECORDS***

The balances in the School Corporation's records of the Prepaid Food fund were not reflective of the amounts that represented the individual students that had prepaid balances for their school lunches. On June 30, 2014, the Prepaid Food fund had a balance of \$18,733. The amount actually representing Prepaid Food fund prepaid by students was \$1,962. On June 30, 2015, the Food fund had a balance of \$45,895. The amount actually representing Prepaid Food Lunch prepaid by students was \$2,124. The school personnel were properly transferring the prepaid student lunches into the School Lunch fund as they were being purchased, but did not transfer the à la carte food sales from the Prepaid Account to the School Lunch fund. After July 1, 2015, the school personnel started transferring the à la carte sales to the School Lunch fund.

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 Schools, Chapter 7)

DALEVILLE COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2016, with Theresa Edwards, Treasurer; Paul Garrison, Superintendent of Schools; and P. Diana Evans, President of the School Board.