

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

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
POSEY COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

03/04/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberley Morton Kathleen Bouch	07-01-22 to 06-30-23 07-01-23 to 06-30-25
Superintendent of Schools	Dr. Matthew Thompson (Vacant) Stephanie Stewart	07-01-22 to 06-30-24 07-01-24 to 09-09-24 09-10-24 to 06-30-25
President of the School Board	Greg Oeth Mark Isaac Beth McFadin-Higgins Kendra Bisesi	07-01-22 to 12-31-22 01-01-23 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 12-31-25



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TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF MOUNT VERNON, POSEY COUNTY, INDIANA

This report is supplemental to the audit report of the Metropolitan School District of Mount Vernon (School Corporation), for the period from July 1, 2022 to June 30, 2024. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with the Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation'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

February 24, 2025

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
AUDIT RESULT AND COMMENT

AVERAGE DAILY MEMBERSHIP (ADM)

A similar comment appeared in a Management Letter addressed to the Officials of the School Corporation for the audit period ending June 30, 2022.

Condition and Context

Internal controls were not in place to ensure the School Corporation complied with laws and regulations related to Average Daily Membership reporting. The School Corporation did not follow its Proof of Indiana Residency Policy for residency verification related to eligible pupils. The School Corporation did not have adequate records for 6 of the 25 students tested to determine whether the students were properly enrolled and reported correctly for the Average Daily Membership requirement. In addition, the School Corporation did not readopt its Indiana Residency Policy annually as required by the Indiana Department of Education per a memo dated September 28, 2021.

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
AUDIT RESULT AND COMMENT
(Continued)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

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. . . ."

METROPOLITAN SCHOOL DISTRICT OF MOUNT VERNON
EXIT CONFERENCE

The contents of this report were discussed on February 24, 2025, with Stephanie Stewart, Superintendent of Schools; Kathleen Bouch, Treasurer; Bo Harris, Chief Financial Officer; Kaelen Rice, Financial Systems Analyst; and Kendra Bisesi, President of the School Board.