

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

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CLARKSVILLE COMMUNITY SCHOOL CORPORATION

CLARK COUNTY, INDIANA

July 1, 2022 to June 30, 2024



FILED

05/06/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dianne Lacy	07-01-22 to 06-30-25
Superintendent of Schools	Dr. Tina Bennett	07-01-22 to 06-30-25
President of the School Board	April Hauber	07-01-22 to 06-30-25



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TO: THE OFFICIALS OF THE CLARKSVILLE COMMUNITY SCHOOL
CORPORATION, CLARK COUNTY, INDIANA

This report is supplemental to the audit report of the Clarksville Community School Corporation (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

March 20, 2025

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

**AVERAGE DAILY MEMBERSHIP (ADM) - INTERNAL CONTROLS
AND INCORRECT REPORTING TO THE STATE**

A similar comment also appeared in prior Report B60950.

Condition and Context

The School Corporation did not have proper internal controls in place for reporting the Average Daily Membership (ADM) to the Indiana Department of Education (IDOE) and for compliance with policies and guidelines developed for conducting the ADM count to be reported.

The ADM information is compiled and inputted by the School Corporation's Data Technician and reviewed and certified by the Superintendent of Schools and the Treasurer; however, the internal controls were deemed not effective. The School Corporation did not follow its policies for compiling the information nor did they have policies in place to ensure the information reported to the Superintendent of Schools and Treasurer was accurate.

The School Corporation's policy adopted to ensure accuracy in reporting requires the building level staff members responsible for compiling the student information and ensuring the student is eligible for inclusion in the ADM count to provide certification of the accuracy of the information. This certification was not always obtained. In fiscal year 2022-2023, the high school and middle school building official did not provide certifications for either of the two ADM reporting count dates. In 2023-2024, the high school did not provide certification for the one of the ADM reporting count dates. There were no certifications from the Program Administrator of the Indiana Gateway Digital Academy or the Indiana Gateway Alternative School for either fiscal year.

The School Corporation did not have internal controls in place to verify the accuracy and eligibility of virtual students included in the ADM count for the Indiana Gateway Digital Academy and Indiana Gateway Alternative School as reported by K12 Virtual Schools L.L.C. with whom the School Corporation partners to provide virtual education programs. The student count information is provided to the School Corporation by K12 Virtual Schools, L.L.C. without a documented review to ensure the students reported complied with eligibility guidelines for inclusion in ADM reporting, including the policies for residency and attendance.

As a result of not having proper internal controls in place, the following errors were identified in the ADM report associated with students enrolled in the Indiana Gateway Digital Academy and the Indiana Gateway Alternative School:

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT
(Continued)

- Of the total virtual students enrolled during the 2023-2024 school year, 1,622 had 10 or more unexcused absences for the school year. Per School Corporation Policy 5200 and Indiana Code 20-20-8-8(a)(17) repealed and replaced by Indiana Code 20-18-2-6.5, a habitual student is a student who has been absent ten (10) days or more from school within a school year without being excused. Indiana Code 20-19-9-5 says that if a student is classified a habitual truant, the student must be withdrawn from enrollment. Of the 1,622 students with 10 or more absences, only 372 were shown in the system as withdrawn, and of the 372 withdrawn, 101 should have withdrawal dates before the February count date and did not. Of the remaining students that should have been withdrawn but were not, 269 should have been withdrawn prior to the February count date, but no withdrawal date was shown in the system. Therefore, there were 370 virtual students who were included in the February count that should not have been. Upon inquiry of school officials, we were informed that the procedure of the School Corporation is to reset the unexcused absences at the beginning of each semester. Using that methodology, there were only 3 students included in the October count date that should have been withdrawn prior to that date, and 1 student included in the February count date that should have been withdrawn prior to that date.
- On October 27, 2023, the Indiana Gateway Digital Academy Executive Director sent a letter to the IDOE informing them of an error made on the October 2, 2023 ADM count reported. There were 22 students included in the ADM count reported that did not meet the eligibility criteria due to truancy, transfer, drop out, or withdrawal for home school. The error resulted in an adjustment of \$77,684 to the School Corporation's November 2023 state tuition support payment received from the State.
- There were 82 students reported on the October 2023 ADM count date for 2023-2024 as nonvirtual students; however, the students were virtual students. The School Corporation reported an error to the IDOE in January 2024; however, no resolution was made. As a result of the audit, further inquiry was made with the IDOE as to the outcome of the reporting error. The IDOE is currently looking into adjusting the state tuition support payments made to School Corporation as funding for virtual students is calculated at 85 percent of the funding of a nonvirtual student. The incorrect reporting resulted in the School Corporation receiving an estimated \$45,000 in additional funding it should not have received for the 2023-2024.

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. . . .

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT
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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. . . ."

School Corporation Policy 6250 Required ADM Counts for the Purpose of State Funding and Verification of Residency for Membership revised September 14, 2021, states in part:

"The Board requires the Superintendent to establish administrative guidelines that detail the procedures which will be followed by all staff members involved in taking the ADM count in each school. These guidelines shall be made with the purpose of establishing internal controls to provide for timely and accurate ADM reporting to the IDOE. These guidelines also shall assign to a building level staff member the duty and responsibility of ensuring that the building level data is accurate within the SIS prior to the ADM count. The Corporation's Data Technician sends the list of students from SIS to office staff. Members of the office staff review the list and reply by email indicating the list is accurate. The Data Technician is the individual assigned by the Superintendent to compile the total ADM count for the Corporation. The Data Technician is the individual responsible for retaining the records of the ADM count and related documentation. The supporting documentation of enrollment and attendance information by grade and school building must be retained for audit purposes to substantiate the ADM count claimed."

"If the Corporation offers a 'virtual education program,' more robust internal controls shall be developed to ensure compliance with I.C. 20-24-7-13(h). The board requires the Superintendent to include in the administrative guidelines controls that clarify under what conditions a student is considered to be 'enrolled' when participating in a virtual education program and how much activity or progress a student shall engage in to be considered in attendance."

School Corporation Policy 6250 Required ADM Counts for the Purpose of State Funding and Verification of Residency for Membership revised November 13, 2023, states in part:

"These guidelines shall be made with the purpose of establishing internal controls to provide for timely and accurate ADM reporting to the IDOE. These guidelines also shall assign to a building-level staff member the duty and responsibility of compiling the ADM count. The ADM count in each school building shall be documented by providing a list of student names and unique student numbers assigned to each student through the IDOE system of identification. The individual assigned the duty and responsibility of compiling the ADM count shall sign a written certification of authenticity and accuracy of the count total, the accompanying student list of names and numbers, and the acknowledgment that each student on the list is an 'eligible student' for the Corporation's ADM count. The individual assigned the duty and responsibility of compiling, documenting, and certifying the count in each school building shall submit said count, documentation, and certification to an individual assigned by the Superintendent to compile the total ADM count for the Corporation. The guidelines also shall detail the individual responsible for retaining the records of the ADM count and related documentation. The supporting documentation of enrollment and attendance information by grade and school building shall be signed by the building principal and retained for audit purposes to substantiate the ADM count claimed."

"If the Corporation offers a 'virtual education program,' more robust internal controls shall be developed to ensure compliance with I.C. 20-24-7-13(h). The board requires the Superintendent to include in the administrative guidelines controls that clarify under what conditions a student is considered to be 'enrolled' when participating in a virtual education program and how much activity or progress a student shall engage in to be considered in attendance."

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT
(Continued)

School Corporation Policy 2370.05 Virtual Program Education states in part:

". . . system shall be used to monitor student attendance as required by State law. This will allow the Corporation to initiate the withdrawal from enrollment of a student who had been classified as 'habitually truant' under State law."

"The Corporation requires that if a student who attends the Corporation's virtual education program accumulates the number of unexcused absences sufficient to result in the student's classification as a 'habitual truant' (as described in I.C. 20-20-8-8(a)(17)), the student must be withdrawn from enrollment in the Corporation's virtual education program."

Indiana Code 20-20-8-8(a)(17) was repealed and replaced by IC 20-18-2-6.5, which states:

"'Habitual truant' refers to a student who has been absent ten (10) days or more from school within a school year without being excused or without being absent under a parental request that has been filed with the school."

School Corporation Policy 5200 Attendance states:

"'Habitual Truant' shall mean a student who has been absent ten (10) days or more from school within a school year without being excused or without being absent under a parental request that has been filed with the school."

The Indiana Gateway Digital Academy Student Handbook states in part:

". . . Habitual Truancy is defined as being absent 10 days or more from school within a school year without being excused."

"Students meeting the Habitual Truancy qualifications must be withdrawn from Indiana Gateway Digital Academy Schools per IC 20-19-9-5. A student who is withdrawn pursuant to this policy may not be reenrolled for the school year in which the student is withdrawn per IC 20-24-7-13."

Indiana Code 20-19-9-5 states:

"A school corporation that operates a virtual education program must require that if a student who attends a school corporation's virtual education program accumulates the number of unexcused absences sufficient to result in the student's classification as a habitual truant, the student must be withdrawn from enrollment in the school corporation's virtual program."

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)

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

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT
(Continued)

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)

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 2, 2025, with Dr. Tina Bennett, Superintendent of Schools; April Hauber, President of the School Board; Dianne Lacy, Treasurer; Dr. Brian Allred, Assistant Superintendent of Schools; and Kelly Glover, Treasurer in Training.