

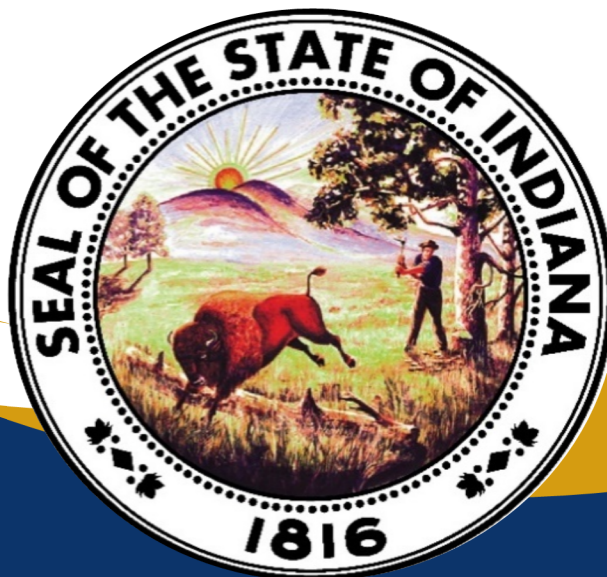
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT
OF

LAWRENCEBURG COMMUNITY SCHOOL CORPORATION
EXTRACURRICULAR ACCOUNTS
DEARBORN COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED
12/02/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
School Corporation Treasurer	Julie Dudley	07-01-21 to 06-30-25
Superintendent of Schools	Karl Galey	07-01-21 to 06-30-25
President of the School Board	Bryan Johnson Kevin Mollaun	07-01-21 to 12-31-21 01-01-22 to 06-30-25



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TO: THE OFFICIALS OF THE LAWRENCEBURG COMMUNITY SCHOOL CORPORATION,
EXTRACURRICULAR ACCOUNTS, DEARBORN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Lawrenceburg Community School Corporation, Extracurricular Accounts (School ECAs), for the period of July 1, 2021 to June 30, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the School ECAs as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds and what reports are required to be prepared and filed.

We fulfilled our responsibility as detailed in the first paragraph, by applying procedures over cash, receipts, and disbursements. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials is informational only.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the School ECAs' reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Julie Dudley, School Corporation Treasurer; Karl Galey, Superintendent of Schools; and Kevin Mollaun, President of the School Board, on November 19, 2024.

Beth Kelley, CPA, CFE
Deputy State Examiner

November 4, 2024

LAWRENCEBURG HIGH SCHOOL
EXTRACURRICULAR ACCOUNT
COMMENTS

RECEIPTING OF EDUCATIONAL FEES

Condition and Context

Internal controls had not been properly designed or implemented, which would include appropriate segregation of duties, that would be effective in preventing, or detecting and correcting, noncompliance related to receipting of educational fees.

The Lawrenceburg High School incorrectly recorded transactions within the ECA funds that are related to educational programs or facilities. Financial activity was recorded within the Awards & Scholarships fund that should have been recorded within the records of the Lawrenceburg Community School Corporation.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Extracurricular activities are defined in IC 20-41-1-4 as athletic, social, or other school functions, the cost which is not paid from public funds. These activities do not include functions conducted solely by any organization of parents and/or teachers. Note that this statutory definition does not include any curricular or educational functions. IC 20-26-5-4 provides that all educational functions are the specific responsibility of the governing body (board of school trustees, etc.) of the school corporation acting on its behalf, including those related to educational programs or facilities must be receipted into the school corporation funds. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 4)

LAWRENCEBURG HIGH SCHOOL
EXTRACURRICULAR ACCOUNT
COMMENTS

LATE SUBMISSION - EXTRACURRICULAR ACCOUNT RISK REPORT

Condition and Context

Internal controls had not been properly designed or implemented, which would include appropriate segregation of duties, that would be effective in preventing, or detecting and correcting, noncompliance related to the submission of the Extracurricular Account (ECA) Risk Report.

ECA Risk Reports are required to be submitted online in the Indiana Gateway for Government Units financial reporting system no later than 60 days after the close of each fiscal year which is July 31. The ECA Risk Reports for the fiscal years ended July 31, 2022, and July 31, 2023, were submitted ten days and one day late, respectively.

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:

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Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."