

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

RANDOLPH CENTRAL SCHOOL CORPORATION

RANDOLPH COUNTY, INDIANA

July 1, 2021 to June 30, 2023



FILED

03/08/2024

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|---|-------------|
| Schedule of Officials | 2 |
| Transmittal Letter | 3 |
| Audit Results and Comments: | |
| Internal Controls over Financial Transactions | 4 |
| Average Daily Membership (ADM) - Residency Verification | 5 |
| Exit Conference | 6 |

SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--|--|
| Treasurer | Linda Dodd Stephanie Baldwin | 07-01-21 to 06-30-22 07-01-22 to 06-30-24 |
| Superintendent of Schools | Rolland Abraham | 07-01-21 to 06-30-24 |
| President of the School Board | Jeff Oswalt Lisa Hendrickson Bill Bush | 07-01-21 to 12-31-21 01-01-22 to 12-31-23 01-01-24 to 06-30-24 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE RANDOLPH CENTRAL SCHOOL
CORPORATION, RANDOLPH COUNTY, INDIANA

This report is supplemental to the audit report of the Randolph Central School Corporation (School Corporation), for the period from July 1, 2021 to June 30, 2023. 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 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 Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

February 21, 2024

RANDOLPH CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS

Condition and Context

Receipts, including those from other financing sources, are recorded to the accounting records by the Treasurer with no oversight performed to ensure the remitter, amount, fund, and receipt classification are accurate.

Payroll disbursements are recorded by the Treasurer with no oversight performed to ensure the payees, amounts, funds, and disbursement classifications are accurate.

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. . . ."

RANDOLPH CENTRAL SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

AVERAGE DAILY MEMBERSHIP (ADM) - RESIDENCY VERIFICATION

Condition and Context

The School Corporation did not have a policy in place listing the enrollment documents required to be maintained on file for each student.

During our testing, the School Corporation was not able to provide residency verification for:

- *Brick & Mortar*: 12 of 60 students
- *Virtual*: 4 of 14 students

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)

RANDOLPH CENTRAL SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 21, 2024, with Stephanie Baldwin, Treasurer; Rolland Abraham, Superintendent of Schools; Bill Bush, President of the School Board; and Daniel Edwards, Secretary of the School Board.