

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

CLARK-PLEASANT COMMUNITY
SCHOOL CORPORATION
JOHNSON COUNTY, INDIANA

July 1, 2012 to June 30, 2014



FILED
07/08/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Federal Findings:	
Finding 2014-001 - Preparation of the Schedule of Expenditures of Federal Awards	4-5
Finding 2014-002 - Procurement and Suspension and Debarment.....	5-6
Finding 2014-003 - Allowable Costs Cost Principle	6-7
Finding 2014-004 - Earmarking	7-8
Finding 2014-005 - Paid Lunch Equity	8
Finding 2014-006 - Cash Management, Level of Effort, Reporting, and Period of Availability	9-10
Corrective Action Plan.....	11-19
Audit Result and Comment:	
Deposits.....	20
Exit Conference	21

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Karen Canary Patty Grabhorn	07-01-12 to 06-30-15 07-01-15 to 06-30-16
Superintendent of Schools	Dr. Kevin Caress (Vacant) Dr. Rebecca Courtney-Knight (Interim) Dr. Patrick Spray	07-01-12 to 10-05-12 10-06-12 to 10-15-12 10-16-12 to 06-30-13 07-01-13 to 06-30-16
President of the School Board	Dr. E. Curtis Harris John Venter	07-01-12 to 12-31-13 01-01-14 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CLARK-PLEASANT COMMUNITY
SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

This report is supplemental to our audit report of the Clark-Pleasant Community School Corporation (School Corporation), for the period from July 1, 2012 to June 30, 2014. 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/.

The Federal Findings, identified in the above referenced audit report, are included in this report and should be viewed in conjunction with the Audit Result and Comment 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 Result and Comment contained herein describes 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 Result and Comment, incorporated within this report, were not verified for accuracy.

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

April 28, 2016

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The School Corporation did not have a proper system of internal control in place to prevent, or detect, and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have procedures in place to ensure that the SEFA was accurate and complete. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, the following errors were noted: The Child Nutrition Cluster, Special Education Cluster (IDEA), Medical Assistance Program, and English Language Acquisition State Grants were omitted from the SEFA for both years of the audit period. The Title I Grants to Local Educational Agencies, Improving Teacher Quality State Grants, and Education Jobs Fund grants for the year ending June 30, 2013, were omitted from the SEFA. Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

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 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:

- (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.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

- (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."

FINDING 2014-002 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Number): FY 2013, FY 2014

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system related to the Procurement and Suspension and Debarment compliance requirement.

The School Corporation is one of nine School Corporations that comprise the Southern Indiana Commodity Cooperative (Cooperative). These nine School Corporations entered into an interlocal agreement to create cost and administrative savings related to the Child Nutrition Cluster programs. The Cooperative administers the procurement process; however, the individual member School Corporations purchase their own food and related supplies.

The Cooperative had not designed or implemented adequate internal controls, policies, and procedures related to the Procurement and Suspension and Debarment compliance requirement that apply to vendor selection. Bids were solicited and contracts were awarded but formal contracts were not provided for audit inspection. Additionally, neither the Cooperative nor the School Corporation had procedures in place to ensure compliance with Suspension and Debarment regulations before the School Corporation entered into covered transactions. No audit evidence was presented that School Corporation staff verified that the six food service vendors were not suspended or debarred.

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."

7 CFR 3016.36(b)(1) states:

"Grantees and sub grantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Indiana Code 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

2 CRF 180.300 states:

"What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or compliance requirements could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls and oversight related to Procurement and Suspension and Debarment.

FINDING 2014-003 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Number and Year (or Other Identifying Number): #13-4145

Pass-Through Entity: Indiana Department of Education

The School Corporation had not established an effective internal control system related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement that has a direct and material effect to the program.

The School Corporation had not designed or implemented adequate policies or procedures to ensure that semiannual certifications are in compliance with the program requirement. Semiannual certifications for the 2012-2013 school year were not provided for audit.

OMB Circular A 87, Attachment B, item 8(h)(3), states in part:

Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee."

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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."

The failure to establish internal controls enabled material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirement that have a direct and material effect to the programs could have resulted in the loss of federal funds to the School Corporation.

We recommended that the School Corporation establish effective internal controls including communication and monitoring over the Allowable Costs/Cost Principles compliance requirement.

FINDING 2014-004 - EARMARKING

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 Number): #13-4145, #14-4145

Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established effective internal controls over Earmarking.

The School Corporation was required to use one percent of their grant allocation to pay for parental involvement activities. The School Corporation was required to allocate \$6,924 for the FY 2012 grant and \$5,904 for the FY 2013 grant. The actual amounts spent were \$5,546 by the FY 2012 grant and \$4,065 by the FY 2013 grant. This resulted in a shortfall of \$1,378 for the FY 2012 grant and a shortfall of \$1,839 for the FY 2013 grant.

The Title I Fiscal Handbook provided by Indiana Department of Education on Title I Set-Asides states:

"Certain reservations or set-asides are required for LEAs. Some set-asides are *mandatory*, with the percentage of the current allocation determined by NCLB requirements. Others are at the discretion of the LEA. Neglected is determined by the amount stated on the Allocation letter. All set-asides should be deducted from the total allocation (Basic, Targeted, EFIG, Concentration) before determining the amount of money that goes to each school served."

Parent Involvement Set-Asides is required. The Title I Fiscal Handbook states: "An LEA must reserve 1% of its grant allocation if the allocation is \$500,000 or above. 95% of the 1% must be budgeted at the school level."

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."

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

The failure to establish adequate internal controls over Earmarking for parental involvement enabled material noncompliance to go undetected. Noncompliance with the Earmarking compliance requirement could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation establish effective internal controls including communication and monitoring over the parental involvement Earmarking requirement.

FINDING 2014-005 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY

Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2013
Pass-Through Entity: Indiana Department of Education

Management of the School Corporation had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Special Test and Provision requirement regarding Paid Lunch Equity. The School Lunch Director was aware of the compliance requirements related to Paid Lunch Equity for the Child Nutrition Cluster; however, no formal internal control system had been established and implemented.

The failure to establish an effective internal control system places 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 also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could result in the loss of federal funds to the School Corporation.

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

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

***FINDING 2014-006 - CASH MANAGEMENT, LEVEL OF EFFORT,
REPORTING, AND PERIOD OF AVAILABILITY***

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Number): 14211-033-PN01, 14212-033-PN01,
14213-033-PN01, 14214-033-PN01,
99914-033-TA01, 45712-033-PN01,
45713-033-PN01, 45714-033-PN01

Pass-Through Entity: Indiana Department of Education

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

The School Corporation is one of the eight member School Corporations of Special Services Johnson County and Surrounding Schools Special Education Cooperative (Cooperative). The Cooperative is the fiscal agent for the participating School Corporations.

Cash Management and Reporting

The Treasurer prepares the cash reimbursement reports from the software reports and retains those reports in the file. There were no controls in place to ensure that the cash reimbursement reports were accurate.

Level of Effort

The School Corporation must submit a pre-application spreadsheet, which includes the Excess Cost Calculator and the Maintenance of Effort worksheets. The School Corporation's financial managers prepare these spreadsheets. There were no controls in place to ensure the accuracy of the spreadsheets prior to submitting.

Period of Availability

The School Corporation had not designed or implemented adequate policies or procedures to ensure that grant funds would be properly encumbered and spent by the end of the period of availability.

The failure to establish an effective internal control system places 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 also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis.

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the programs. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the School Corporation.

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



CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION

50 Center Street • Whiteland, Indiana 46184-1698 • (317)535-7579 • FAX (317)535-4931

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION CORRECTIVE ACTION PLAN

Finding Number 2014-001

PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Auditee Contact Person	Patty Grabhorn
Title of Contact Person	Treasurer
Phone Number	317-535-7579

Corrective Action:

The School District has developed a tracking and reporting tool for the Schedule of Expenditures and Federal Awards. The Corporation Treasurer will update the SEFA appropriately and have available for future audits and provide to the Director of Business the SEFA to upload the required information into the Gateway system.



VISION ... EXCELLENCE

Finding Number 2014-002

PROCUREMENT AND SUSPENSION AND DEBARMENT

Auditee Contact Person	Kim Combs
Title of Contact Person	Director of Food Service
Phone Number	317-535-7579

Corrective Action:

In order to comply fully with internal controls related to procurement, suspension, and debarment, the following procedures are being implemented.

- The Cooperative will develop and implement policies and procedures to ensure compliance with all procurement, suspension, and debarment rules.
- All vendors from which purchases are made will be checked annually by the Food Service Department for compliance with suspension and debarment regulations. The IDOA site will be checked annually by the Food Service Department for the list of vendors currently suspended from doing business in the State of Indiana. The SAM (System for Award Management) site will be searched by vendor to check suspension or debarment with federal agencies. In addition, each vendor will be sent suspension and debarment documents that must be returned indicating that they are not prohibited from doing business either with either the State of Indiana or Federal agencies. This documentation will be shared with all corporations who are a part of the Cooperative.
- For transactions/purchases not covered with Cooperative bids, all State and Federal procurement guidelines will be followed as outlined in 2 CFR Part 200 Procurement Standards.
- A memo dated November 13, 2015 was received from USDA related to guidance on competitive procurement standards for program operators. The section cited in this memo, 7 CFR Part 210.21 has been reviewed by the Food Service Department to ensure that our program is conducting procurement transactions in accordance with governing regulations.

Finding Number 2014-003

ALLOWABLE COSTS/COST PRINCIPLES

Auditee Contact Person	Shelley Gies
Title of Contact Person	Director of Curriculum & Instruction
Phone Number	317-535-7579

Corrective Action:

The District will review internal controls and be sure they are being followed. Specific internal control areas to be reviewed and addressed with staff:

- Review of the Title I Fiscal Handbook provided by the Indiana Department of Education by the Business Office, Curriculum and Instruction Department, and Principals in order to comply with regulations as outlined.
- Curriculum and Instruction Department will implement internal controls to insure federal reports such as semi-certification reports and student rosters are completed and maintained for supporting documentation:
 - Semi-Certification: Curriculum and Instruction Department complete the forms and share with Principals for review and signatures. Forms are then maintained for documentation support
 - Student Rosters: Principals and Instructional Coaches submit rosters to Curriculum and Instruction Department. Rosters are entered into student management software by Curriculum and Instruction Department. Once entered, rosters are then reviewed by Principals and Instructional Coaches for accuracy.

Finding Number 2014-004

MATCHING LEVEL OF EFFORT, AND EARMARKING

Auditee Contact Person	Shelley Gies
Title of Contact Person	Director of Curriculum & Instruction
Phone Number	317-535-7579

Corrective Action:

The District will review internal controls and be sure they are being followed. Specific internal control areas to be reviewed and addressed with staff:

- Review of the Title I Fiscal Handbook provided by the Indiana Department of Education by the Business Office, Curriculum and Instruction Department, and Principals in order to comply with regulations including but not limited to Earmarking for parental involvement.
- Curriculum and Instruction Department will verify expenditures with Principals and approve all expenditures.
- Corporation Treasurer will review with the Curriculum and Instruction Department claim requests to verify accuracy.
- Corporation Treasurer will provide financial information regarding grant reimbursement requests, grant expenditures, and remaining balances to spend the Curriculum and Instruction Department. The Curriculum and Instruction Department will monitor balances and communicate with the Principals.

Finding Number 2014-005

SPECIAL TESTS AND PROVISIONS PAID LUNCH EQUITY

Auditee Contact Person	Kim Combs
Title of Contact Person	Director of Food Service
Phone Number	317-535-7579

Corrective Action:

The District will review internal controls and be sure they are being followed. Specific internal control areas to be reviewed with staff:

- **Paid Lunch Equity:** As part of the annual review process of establishing lunch prices, the Director of Food Service will submit lunch equity calculation documentation to the Assistant Superintendent, who is responsible for supervision of the Food Service Department. Once reviewed by the Assistant Superintendent, the lunch equity documentation will be shared with the Business Department.



*Special Services Johnson County and Surrounding Schools
500 Earlywood Drive, Franklin, Indiana 46131*

Corrective Action Plan

Section III - Federal Award Findings and Questioned Costs

Finding 2013-001 - Internal Control Over Special Education Cluster

Finding 2014-001 - Internal Control Over Special Education Cluster

Federal Agency: Department of Education

Federal Program: Special Education Cluster

CFDA Number: 84.027, 84.173

Federal Award Number and Year (or Other Identifying Number: 14211-033-PN01; 14212-033-PN01; 14213-033-PN01; 14214-033-PN01; 99914-033-PN01; 45712-033-PN01; 45713-033-PN01; 45714-033-PN01

Pass Through Entity: Indiana Department of Education

Contact Person: Brenda J. Bennett
Phone Number: (317) 738-7009
E-Mail Address: bbennett@ssjcs.k12.in.us
Date Completed: 10-20-15

The Business Office continues to implement training sessions on each business office employees work responsibilities. The treasurer and other business office employees are completing written instructions to process a payroll, paying claims, balancing the bank statements, closing a monthly budget and management of federal grants. A review of one business office employee's completed work is being completed by someone other than the preparer of the detailed work. Documentation that the item has been reviewed is acknowledged by stamping the document that it was reviewed on such date plus requiring signature of that individual reviewing the document. This would include, payroll reports, claims, receipts, bank statements, federal cash requests and modifications. A list of utility claims for any given month is being provided to the Building Maintenance Supervisor to review for accuracy. Employee mileage claims will be reviewed by their designated supervisors for approval before being processed by the accounts payable clerk. All claims are currently being reviewed by the Treasurer. The treasurer poses questions when discrepancies are reflected. Any claims that need approval per a student IEP, etc. are being reviewed by the appropriate personnel initiating the approval for such claims.

Purchase orders are being processed by a business office employee due to their knowledge of budget accounts. The purchases are being checked in by a non-business office employee. The employee that checks in the purchases provides a copy of the purchase order signed by the employee that purchased the materials to the accounts payable clerk for payment of the invoice.



***Special Services Johnson County and Surrounding Schools
500 Earlywood Drive, Franklin, Indiana 461***

The SEFA (Schedule of Expenditures of Federal Awards) report is being completed by utilizing the spreadsheet maintained by the Treasurer for each audit period on each federal grant award. As of FY 2015, the Treasurer is now required to submit each district their percent of the expenditures and revenue per each district's allocated amount. Each district is now required to report these expenditures/revenue on their SEFA reports. SEFA reports will be reviewed by another business office employee.

Segregation of Duties: The Business Office has already implemented procedures for cross-checking assigned duties in managing the federal grant awards. The deputy treasurer has assumed the responsibility of one grant award. All grant award documentation such as cash requests, modifications, period of availability, etc. will be reviewed by another business office employee that is familiar with the budget accounts.

In order to comply with allowable costs, procurement, suspension and debarment rules, the Business Office will reference OMB Circular A-133 for guidance and implement policies directly applied for purchases as a way of avoiding the use of a vendor that has been suspended and disbarred from the federal government list of vendors. OMB Circular A-133 will be used to reference compliance requirements, allowable costs and other activities associated with transaction at hand. Documentation of the decided reference will be attached to the information such as a requisition to order, etc. for another Special Services employee to review prior to proceeding a purchase to insure interpretation of the OMB Circular A-133 guidelines are the same from one individual to another.

Special Services continues to work with the local districts (LEA) by providing supporting documentation on completion of the MOE/Excess Costs Calculations. Each district (LEA) will establish internal controls by maintaining all supporting documentation used to calculate the maintenance of effort. Easy interpretation charts will also be maintained by the district(s) of how the calculations were derived. Proof of an internal review of the maintenance of effort calculation is being provided by the district(s) to Special Services in written format. This acknowledgement of internal review must be provided at the same time the Maintenance of Effort report is submitted to Special Services. The internal review received from the district(s) will be signed and dated by those district's employees confirming the maintenance of effort report is true and accurate to the best of their knowledge as presented to Special Services. Special Services reviews for accuracy pertinent information provided by the Department of Education to the Districts in completion of their calculations.

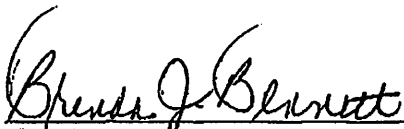


**Special Services Johnson County and Surrounding Schools
500 Earlywood Drive, Franklin, Indiana 46131**

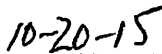
Period of Availability: The treasurer reviews the monthly claims to make sure that claims are being paid from the appropriate active grant awards. The treasurer communicates to the business office employees the grant term of each grant award, assigned fund numbers and when mileage claims cannot be paid from grant award that has terminated. Monthly appropriation reports are ran to assure claims are not paid from a grant award that is inactive.

In order to implement internal control over each LEA's federal grant allocation, federal reports such as cash requests, modifications, quarterly non-public reports, interest earned reports and semi-certification reports will be provided to the Governing Board of Special Services for review which is comprised of the superintendent from each local district within the cooperative. A signature page will be provided for approval of reports as presented.

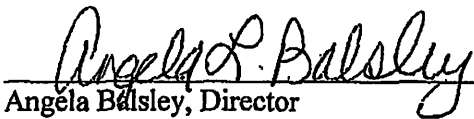
The Business Office is working diligently to maintain the status of internal controls in OMB Circular A-133, Subpart C, and section.300.



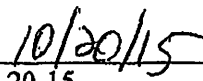
Brenda J. Bennett Treasurer



10-20-15



Angela Balsley, Director



10-20-15

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

DEPOSITS

Receipts were deposited later than the next business day in 84 percent of receipts tested for textbook rental and material fees. These deposits were between 2 and 17 days late.

A similar comment appeared in prior Report B41759.

Indiana Code 5-13-6-1(c) states in part:

" . . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance . . . "

CLARK-PLEASANT COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 28, 2016, with Patty Grabhorn, Treasurer; Jay Staley, Director of Business; Dr. Patrick Spray, Superintendent of Schools; and John Venter, President of the School Board.