

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

DEKALB COUNTY EASTERN  
COMMUNITY SCHOOL DISTRICT  
DEKALB COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
07/28/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Allyson Grimm (Vacant) Maria Conwell	07-01-14 to 05-27-16 05-28-16 to 06-30-16 07-01-16 to 06-30-17
Superintendent of Schools	Dr. Jeffrey Stephens	07-01-14 to 06-30-17
President of the School Board	Leon Steury	07-01-14 to 06-30-17



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TO: THE OFFICIALS OF THE DEKALB COUNTY EASTERN COMMUNITY  
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

This report is supplemental to our audit report of the DeKalb County Eastern Community School District (School Corporation), for the period from July 1, 2014 to June 30, 2016. It has been provided as a separate report so that the reader may easily identify any Federal Findings 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/](http://www.in.gov/sboa/).

The Federal Findings, identified in the above referenced audit report, are included in this report.

Any Corrective Action Plan for the Federal Findings, incorporated within this report, was not verified for accuracy.

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

April 27, 2017

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS

**FINDING 2016-001 - PREPARATION OF THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

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 SEFA presented for audit contained the following errors:

1. The National School Lunch Program was understated by \$11,715 in 2014-2015 and understated by \$47,320 in 2015-2016.
2. The School Breakfast Program was overstated by \$7,783 in 2014-2015.
3. The Career and Technical Education - Basic Grant to States (CFDA 84.048) was understated by \$35,298 in 2014-2015 and understated by \$60,098 in 2015-2016.
4. The SEFA, as presented, contained some incorrect Federal Program names.
5. The SEFA did not include the Identifying Numbers for all grants.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA.

*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. . . ."

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. . . ."

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

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.
- (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."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 financial statements. . . ."

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must 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. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected. The SEFA contained the errors identified in the *Condition*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2016-002 - INTERNAL CONTROL OVER THE CHILD NUTRITION CLUSTER**

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 Numbers): FY 2014-15, FY 2015-16

Pass-Through Entity: Indiana Department of Education

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management, Procurement and Suspension and Debarment, and Reporting.

*Cash Management*

The School Corporation had not established a control to ensure that the food service balance was less than or equal to the average expenditures for three months.

*Procurement and Suspension and Debarment*

The School Corporation utilized an Educational Service Center for Food Service bids. The Educational Service Center administered the bidding process, verified that the vendors were not suspended or debarred, and made a recommendation to the School Corporation for the winning bids. However, there were no controls in place to ensure that the School Corporation and School Board formally approved the bids or awarded the contracts to the successful bidders. An oversight, review, or approval process had not been established.

*Reporting*

The School Lunch Director prepared and submitted the Sponsor Claim (claims for reimbursement), the School Food Authority (SFA) Verification Collection Reports, and the Annual Financial Report; however, there was no control in place to ensure that the reports were correct.

*Context*

Internal control issues were systemic, occurring throughout the audit period.

*Criteria*

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Cash Management, Procurement and Suspension and Debarment, and Reporting compliance requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2016-003 - SPECIAL TESTS AND PROVISIONS - VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS (NSLP)***

Federal Agency: Department of Agriculture

Federal Program: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-15, FY 2015-16

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

*Context*

One out of the six verified school lunch applications selected for verification in November 2015 was verified incorrectly. During a review by the Indiana Department of Education in December 2015, the School Corporation was made aware of the error on the verification and the household was notified of the change in benefits in December 2015.

The School Corporation had a control established to ensure the verification of applications and the reviews conducted by the Food Service Director were accurate and correct; however, the control was not implemented on a consistent basis.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

*Criteria*

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 245.6a(c) states in part: "*Verification requirement--(1) General.* The local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced meal benefits for that school year. . . ."

*Cause*

Management had not maintained a system of internal controls that segregated key functions.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-004 - SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY***

Federal Agency: United States Department of Agriculture  
Federal Program: National School Lunch Program  
CFDA Number: 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-15, FY 2015-16  
Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Special Tests and Provisions - Paid Lunch Equity.

The School Corporation did not have policies or procedures in place to ensure Special Tests and Provisions - Paid Lunch Equity requirements were properly calculated and considered.

*Context*

The calculation was made by one individual without oversight or review. Additionally, the calculation was not completed properly.

*Criteria*

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions or that ensured proper calculations of paid lunch equity.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity requirements of the program.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2016-005 - ELIGIBILITY***

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-15, FY 2015-16

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Eligibility.

The School Corporation had not established an effective control over the determination for free and reduced price applications.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

The School Corporation had not established an effective control over the notification of households for the children's eligibility for direct certification students. There was no audit evidence available to test whether households that were directly certified for Free and Reduced Price School Meals were notified of the eligibility of their children.

*Context*

The School Corporation had a control established to ensure the determination of eligibility for free and reduced price applications, with the determination being performed by one individual and then reviewed by a second individual; however, the control was not implemented on a consistent basis.

The School Corporation had a control established for notifying households of their children's eligibility, but it was not implemented for households of direct certification students.

*Criteria*

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

7 CFR 245.6(c)(6)(ii) states in part:

"*Direct Certification.* Households approved for benefits based on information provided by the appropriate State or local agency responsible for the administration of the SNAP, FDPIR or TANF must be notified, in writing, that their children are eligible for free meals or free milk, that no application for free and reduced price school meals or free milk is required. . . ."

*Cause*

The School Corporation did not implement their established controls on a consistent basis.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish and implement controls related to the grant agreement and the Eligibility compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2016-006 - ALLOWABLE COSTS/COST PRINCIPLES**

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 Numbers): 14213-046-PN01, 14214-046-PN01,  
99914-046-TA01, 14215-046-PN01,  
14216-044-PN01, 45715-046-PN01,  
45716-044-PN01

Pass-Through Entity: Indiana Department of Education

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Allowable Costs/Cost Principles.

The School Corporation had not implemented adequate controls to ensure that Semi-Annual Certifications were prepared and retained for audit.

*Context*

The Semi-Annual Certifications were not all properly signed by the Special Education Director.

*Criteria*

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. . . ."

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
FEDERAL FINDINGS  
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

"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 semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

# DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT

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Indiana State Board of Accounts  
302 W Washington St  
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Indianapolis, IN 46204-2765

## Corrective Action Plan

To Whom It May Concern:

This letter serves as our official response to the results and comments listed on the audit for the years July 1, 2014 through June 30, 2016.

Contact Person Responsible for Corrective Action: Maria Conwell  
Contact Phone Number: 260-868-2125

### **Finding 2016-001**

Description of Corrective Action Plan: The Business Manager will review all Federal Program names, CFDA numbers, and Identifying Numbers for all Federal grants prior to completion of the Schedule of Expenditures of Federal Awards. During the 2014-2015 and 2015-2016 fiscal years, commodities were excluded from the Schedule of Expenditures of Federal Awards, and going forward the Business Manager will utilize the commodities website to confirm the amounts and add to the SEFA. The Business Manager will examine receipt and gross amounts to complete the Schedule of Expenditures of Federal Awards. The District Bookkeeper will review and confirm amounts for accurate completion of the schedule.

Anticipated Completion Date: Ongoing —The Business Manager and District Bookkeeper will provide signatures or initials as proof of review

### **Finding 2016-002**

Federal Agency: United States Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children  
CFDA Number: 10.553, 10.555, 10.559  
Federal Award Number and Year: FY 2014-15 and FY 2015-16  
Pass-Through Entity: Indiana Department of Education

*It is the mission of DeKalb County Eastern C.S.D., in concert with the community, to provide all learners with skills to adapt intellectually and socially to their changing environment.*



Description of Corrective Action Plan:

*Cash Management:* The Food Service Director will run the food service balance every three months and sign off. The report will then be given to the Dean of Students to review on a quarterly basis and sign off after verifying the accuracy.

*Procurement:* Once food service bids are awarded, the Food Service Director will submit the bids to the superintendent and the School Board will review for adoption of the Region 8 commodities bid.

*Reporting:* At the end of the lunch periods, cashiers will print daily totals and verify accuracy and sign off. The Food Service Director shall verify monthly reports and submit to district Bookkeeper who will verify report relative to claim and initial document. After Food Service Director prepares School Food Authority Verification Collection Reports, the Dean of Students will review and certify for accuracy. The data for the Annual Financial Report will be generated by the superintendent's office, submitted to the Food Service Director who will complete the form and this will then be reviewed and approved by the Dean of Students prior to submission to the state.

Anticipated Completion Date: Ongoing—The Food Service Director will provide a signature or initial on each report and the Dean of Students will provide a signature or initial on each report as proof of review.

**Finding 2016-003**

Federal Agency: United States Department of Agriculture

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

CFDA Number: 10.553, 10.555, 10.559

Federal Award Number and Year: FY 2014-15 and FY 2015-16

Pass-Through Entity: Indiana Department of Education

Description of Corrective Action Plan: The Food Service Director will enter applications for Free and Reduced Price (NSLP) and each application will be reviewed by the Dean of Students for accuracy.

Anticipated Completion Date: Ongoing - The Food Service Director will provide a signature or initial on each application and the Dean of Students will provide a signature or initial on each application as proof of review.

**Finding 2016.004**

Federal Agency: United States Department of Agriculture

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

CFDA Number: 10.553, 10.555, 10.559

Federal Award Number and Year: FY 2014-15 and FY 2015-16

Pass-Through Entity: Indiana Department of Education

Description of Corrective Action Plan: The Food Service Director will complete the Paid Lunch Equity calculation and this will be verified and reviewed by the Dean of Students.

Anticipated Completion Date: Ongoing — The Dean of Students will provide signatures or initials on the calculation report as given by the Food Service Director as proof of review for accuracy.

**Finding 2016-005**

Federal Agency: United States Department of Agriculture  
Federal Program: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children  
CFDA Number: 10.553, 10.555, 10.559  
Federal Award Number and Year: FY 2014-15 and FY 2015-16  
Pass-Through Entity: Indiana Department of Education

Description of Corrective Action Plan: The Food Service Director will verify the direct certification students and letters will be sent to direct certification parents. A hard copy of the direct certification students will be provided to the Dean of Students, who will verify the information and certify letters were sent out.

Anticipated Completion Date: Ongoing — The Food Service Director will provide a signature or initials on the hard copy which will be reviewed and signed or initialed by the Dean of Students.

**Finding 2016-006**

Federal Agency: United States Department of Education  
Federal Program: Special Education — Grants to States (IDEA Part B), and Special Education — Preschool Grants (IDEA Preschool)  
CFDA Number: 84.027, and 84.173  
Federal Award Number and Year: 14213-046-PN01, 14214-046-PNO1  
99914-046-TA01, 14215-046-PNO1  
14216-044-PN01, 45715-046-PNO1  
45716-044-PNO1  
Pass-Through Entity: Indiana Department of Education

Description of Corrective Action Plan: Payroll records for each individual employee show funding allocation from IDEA part B grant and IDEA Preschool grant. NEISEC Director will print off and sign all Semi-Annual Certifications semi-annually.

Anticipated Completion Date: Ongoing — NEISEC Director will sign off on Semi-Annual Certification as proof of review.

  
\_\_\_\_\_  
Dr. Jeffrey F. Stephens, Superintendent

4-28-17  
Date

  
\_\_\_\_\_  
Maria Conwell, Business Manager

4-28-17  
Date

DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2017 with Dr. Jeffrey Stephens, Superintendent of Schools; Maria Conwell, Treasurer; Leon Steury, President of School Board; Mary Burton, Special Education Director; and Sheila Holman, Bookkeeper.