

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
MARION COUNTY, INDIANA
July 1, 2013 to June 30, 2015



FILED
09/26/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Michelle Smith	07-01-13 to 12-31-17
Executive Director	Dr. Mary Ann Dewan	07-01-13 to 10-18-13
	Dr. Michele Moore	10-19-13 to 06-30-14
	Dr. Kevin Caress	07-01-14 to 06-30-18
President of the Advisory Board	Dr. Robert Taylor	07-01-13 to 06-30-14
	Dr. Paul Kaiser	07-01-14 to 06-30-17
	Dr. Michele Moore	07-01-17 to 06-30-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CENTRAL INDIANA EDUCATIONAL
SERVICE CENTER, MARION COUNTY, INDIANA

This report is supplemental to our audit report of the Central Indiana Educational Service Center (Service Center), for the period from July 1, 2013 to June 30, 2015. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the Service Center. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the Service Center, which provides our opinions on the Service Center's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Finding, identified in the above referenced audit report, is included in this report.

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

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

September 13, 2017

CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
FEDERAL FINDING

FINDING 2015-001

Subject: Special Education_Grants to States - Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Special Education_Grants to States
CFDA Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): A58-1-11DL-001, A58-4-14DL-1677
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the Service Center in order to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

There were no control procedures identified related to the preparation of Semi-Annual Certifications. Semi-Annual Certifications for employees who worked solely on the Special Education program were not presented for audit.

Context

The lack of controls and noncompliance were systemic problems during the period audited.

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. . . ."

CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
FEDERAL FINDING
(Continued)

OMB Circular A-87, Attachment B, section 8h(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 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 would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system resulted in the Service Center's noncompliance with the grant agreement and the compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Service Center's management establish controls related to the grant agreement and requirements related to Semi-Annual Certifications to ensure compliance with the 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.

CORRECTIVE ACTION PLAN

September 13, 2017

State Board of Accounts
302 Washington St., Room E418
Indianapolis, Indiana 46204-2765

Re: **Finding 2015-001**

Contact Person(s) Responsible for Corrective Action: Dr. Kevin Caress, Executive Director – (317) 759-5547
Michelle Smith, Treasurer – (317) 759-5553

Views of Responsible Official: We concur with the SBOA findings.

Description of Corrective Action Plan: The accounting and administrative departments which oversee the accounting processing of the PATINS Project grant will insure that the inclusion of semi-annual certifications for PATINS Project employees are submitted. This will be in accordance with Internal Controls rules under OMB Circular A-87, Attachment B, 8(h), referring to certification reporting.

Anticipated Completion Date: The 2017 submission is currently being reviewed. From September 2017 forward, we will comply with semi-annual reporting of the PATINS Project employees' status.

Signed: 
Kevin M. Caress, Ed.D.

Signed: 
Michelle Smith

Title: _____ Executive Director _____

Title _____ Treasurer _____

Date: _____ September 13, 2017 _____

Date: _____ September 13, 2017 _____

CENTRAL INDIANA EDUCATIONAL SERVICE CENTER
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2017, with Michelle Smith, Treasurer; Dr. Kevin Caress, Executive Director; Felisia O'Bold, Business Manager; Dr. Michele Moore, President of the Advisory Board; and Daniel McNulty, PATINS Director.