

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
JENNINGS COUNTY SCHOOL CORPORATION  
JENNINGS 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	Amber K. Fields	07-01-13 to 06-30-18
Superintendent of Schools	Dr. Terry Sargent Teresa A. Brown	07-01-13 to 06-30-17 07-01-17 to 06-30-18
President of the School Board	Steve Elmore	07-01-13 to 06-30-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE JENNINGS COUNTY SCHOOL  
CORPORATION, JENNINGS COUNTY, INDIANA

This report is supplemental to our audit report of the Jennings County School Corporation (School Corporation), 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 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

August 30, 2017

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS

***FINDING 2015-001***

Subject: Internal Controls over Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Condition*

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

*Context*

Lack of Segregation of Duties: The School Corporation had not separated incompatible activities related to receipts and cash. The Deputy Treasurer is primarily responsible for issuing receipts, posting receipts, making bank deposits, and performing the monthly bank reconciliation. There was no documentation of a control in place to prevent or detect errors.

*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. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal control.

*Effect*

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the financial transactions and reporting.

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2015-002**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Other Matters

*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 Treasurer was the person solely responsible for preparing and submitting the SEFA. There was no segregation of duties documented, such as an oversight, review, approval process, or other compensating control.

*Context*

During the audit of the SEFA, there were the following errors:

1. The Adult Education - Basic Grants to States program was omitted resulting in an understatement of \$58,058.
2. The Special Education Cluster (IDEA) was understated by \$349,387.
3. The Title I Grants to Local Educational Agencies program was understated by \$998,211.
4. The Education for Homeless Children and Youth program was understated by \$22,500.
5. The Supporting Effective Instruction State Grants program was understated by \$7,954.
6. The Child Nutrition Cluster was omitted resulting in an understatement of \$3,621,540.

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. . . .

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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 § \_\_\_\_.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.
- (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."

*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 remained undetected. The SEFA contained the errors identified in the *Condition*.

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the SEFA.

*Views of Responsible Officials*

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

**FINDING 2015-003**

Subject: Special Education Cluster (IDEA) - 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): 14212-072-PN01, 14213-072-PN01,  
14214-072-PN01, 14215-072-PN01,  
99914-072-PN01, 45713-072-PN01,  
45714-072-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

*Condition*

Management of the School Corporation had not established an effective internal control system over requirements relating to the Allowable Costs/Cost Principles compliance requirement.

The School Corporation was required to maintain Semi-Annual Certifications and Personnel Activity Reports on all full-time and part-time employees paid from the grant. There were no Semi-Annual Certifications and Personnel Activity Reports maintained by the School Corporation for full-time or part-time employees paid from the grant during the audit period.

*Context*

The lack of controls and noncompliance was a systemic problem during 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. . . ."

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

OMB Circular A-87, Attachment B, item 8h states in part:

". . . (3) 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.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one federal award,
- (b) A Federal award and a non-federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with requirements outlined above.

*Effect*

The failure to establish an effective internal control system 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 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.

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2015-004***

Subject: Special Education Cluster (IDEA) - Cash Management and Reporting

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): 14212-072-PN01, 14213-072-PN01,  
14214-072-PN01, 14215-072-PN01,  
99914-072-PN01, 45713-072-PN01,  
45714-072-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Finding: Material Weakness

*Condition*

Management of the School Corporation had not established an effective internal control system over requirements relating to the Cash Management and Reporting compliance requirements.

*Cash Management*

The School Corporation had one employee primarily responsible for monitoring that program costs were paid by the entity prior to requesting reimbursement. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Reporting*

The School Corporation had one employee primarily responsible for completing and submitting reimbursement requests. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Context*

The lack of internal controls was a systemic problem affecting all grant awards listed above.

*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. . . ."

*Cause*

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

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*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 the 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 compliance requirements listed above.

*Views of Responsible Officials*

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

**FINDING 2015-005**

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles  
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 Numbers): 13-4015, 14-4015, 15-4015  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Cost/Cost Principles  
Audit Findings: Material Weakness, Other Matters

*Condition*

Management of the School Corporation had not established an effective internal control system over requirements relating to the Allowable Costs/Cost Principles compliance requirement. The School Corporation did not complete Semi-Annual Certifications for Title I staff.

*Context*

The lack of controls and noncompliance was a systemic problem during 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. . . ."

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

OMB Circular A-87, Attachment B, item 8h(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 would have ensured compliance with requirements outlined above.

*Effect*

The failure to establish an effective internal control system 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 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.

**FINDING 2015-006**

Subject: Internal Controls over Title I Grants to Local Educational Agencies

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 Numbers): 13-4015, 14-4015, 15-4015

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting, and Special Tests and Provisions -  
Comparability, Special Tests and Provisions - Schoolwide Programs,  
Special Tests and Provisions - Annual Report Card, High School  
Graduation Rate

Audit Finding: Material Weakness

*Condition*

Management of the School Corporation had not established an effective internal control system over compliance requirements relating to Cash Management, Reporting, Special Tests and Provisions - Comparability, Special Tests and Provisions - Schoolwide Programs, and Special Tests and Provisions - Annual Report Card, High School Graduation Rate.

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Cash Management*

The School Corporation had one employee primarily responsible for monitoring that program costs were paid by the entity prior to requesting reimbursement. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Reporting*

The School Corporation had one employee primarily responsible for completing and submitting required reports. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Special Tests and Provisions - Comparability*

The School Corporation had one employee primarily responsible for completing and submitting the required Comparability reports. There was no evidence to suggest proper segregation of duties such as an oversight, review, approval process, or other compensating control.

*Special Tests and Provisions - Schoolwide Programs*

The School Corporation had not designed or implemented adequate policies and procedures to ensure compliance with the Schoolwide Programs requirement. The School Corporation operated a schoolwide program and eligibility was based on the Average Daily Membership (ADM) and poverty levels. One person was responsible for completing the Title I application and including the ADM and poverty levels. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Special Tests and Provisions - Annual Report Card, High School Graduation Rate*

The School Corporation had one employee responsible for obtaining documentation to support a student's removal from the cohort. There was no oversight or review process in place to ensure compliance with this requirement.

*Context*

The lack of internal controls was a systemic problem affecting all grant awards listed above.

*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. . . ."

*Cause*

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

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*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 the 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 program.

*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 compliance requirements listed above.

*Views of Responsible Officials*

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

**FINDING 2015-007**

Subject: Supporting Effective Instruction State Grants - Allowable Costs/Cost Principles  
Federal Agency: Department of Education  
Federal Program: Supporting Effective Instruction State Grants  
CFDA Number: 84.367  
Federal Award Numbers and Years (or Other Identifying Numbers): 11-4015, 12-4015, 13-4015  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Other Matters

*Condition*

Management of the School Corporation had not established an effective internal control system over requirements relating to Allowable Costs/Cost Principles compliance requirement.

The School Corporation was required to maintain Semi-Annual Certifications on all full-time and part-time employees paid from the grant. There were Semi-Annual Certifications maintained by the School Corporation for full-time or part-time employees paid from the grant during the audit period.

*Context*

The lack of controls and noncompliance was a systemic problem during the audit period.

JENNINGS COUNTY SCHOOL CORPORATION  
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. . . ."

OMB Circular A-87, Attachment B, item 8h(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 would have ensured compliance with requirements outlined above.

*Effect*

The failure to establish an effective internal control system 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 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.

**FINDING 2015-008**

Subject: Supporting Effective Instruction State Grants - Cash Management and Reporting  
Federal Agency: Department of Education  
Federal Program: Supporting Effective Instruction State Grants  
CFDA Number: 84.367  
Federal Award Numbers and Years (or Other Identifying Numbers): 11-4015, 12-4015, 13-4015  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Reporting  
Audit Finding: Material Weakness

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Condition*

Management of the School Corporation had not established an effective internal control system over requirements relating to the Cash Management and Reporting compliance requirements.

*Cash Management*

The School Corporation had one employee primarily responsible for monitoring that program costs were paid by the entity prior to requesting reimbursement. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Reporting*

The School Corporation had one employee primarily responsible for completing and submitting reimbursement requests. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control.

*Context*

The lack of internal controls was a systemic problem affecting all grant awards listed above.

*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. . . ."

*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 program.

*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 compliance requirements listed above.

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2015-009**

Subject: Title I Grants to Local Educational Agencies - Eligibility

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 Numbers): 13-4015, 14-4015, 15-4015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Scope Limitation/Modified Opinion

*Condition*

*Eligibility - Group or Area*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the enrollment and poverty data for both public and nonpublic schools reported in the grant applications were maintained and made available for audit. There was no segregation of duties, such as an oversight, review, approval process, or other compensating control. Documentation was not presented for audit to support enrollment and poverty figures of the nonpublic schools entered in the eligible schools summary in the grant application.

*Eligibility - Individuals*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that documentation was maintained and made available for audit to determine if all students receiving Title I benefits were eligible. There was no documentation presented for audit to show an oversight, review, approval process, or other compensating control. There was no documentation presented for audit to support individual eligibility for 30 out of 40 students selected for testing.

*Context*

The lack of internal controls was a systemic problem affecting all grant awards listed above.

*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. . . ."

JENNINGS COUNTY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

34 CFR 74.53(b) states in part:

"Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Secretary. . . ."

*Cause*

Management had not developed a system of internal controls to ensure that documentation was maintained and made available for audit.

*Effect*

The failure to maintain and provide appropriate documentation prevented the determination of the School Corporation's compliance with the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that documentation is maintained and made available for audit relating to 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.

# JCSC JENNINGS COUNTY SCHOOL CORPORATION

---

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent  
Phone: (812) 346-4483  
Fax: (812) 352-8194

## CORRECTIVE ACTION PLAN

### **FINDING 2015-001**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer  
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

In the fall of 2015 JCSC Business Office began having the Treasurer (Amber Fields) reviewing the Bank Statement reconciliation after completion by the Deputy Treasurer (Myra Fischvogt). In addition, the Accounts Payable person (Dee Dee Lane) began in January of 2017, also reviewing deposits and bank reconciliations.

Anticipated Completion Date: Immediately

Amber Fields  
(Signature)

Treasurer  
(Title)

8-25-17  
(Date)

# JCSC JENNINGS COUNTY SCHOOL CORPORATION

---

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

## CORRECTIVE ACTION PLAN

### **FINDING 2015-002**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer

Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

In the future, we will make sure to get better instructions on entering Federal Grant information into Gateway. After information has been entered into Gateway by the Treasurer (Amber Fields), the Deputy Treasurer will review (Myra Fischvogt).

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

## CORRECTIVE ACTION PLAN

### **FINDING 2015-003**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer

Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

From this point forward, all JCSC employees paid 100% from a Federal Grant will complete a semi-annual Time & Effort Log, reviewed and signed by the Director of the program. JCSC employees paid partially from a Federal Grant and also paid from Local funds will complete a Time & Effort Log every pay period to be reviewed by the Director of the Federal program and signed.

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

# JCSC JENNINGS COUNTY SCHOOL CORPORATION

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34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

## CORRECTIVE ACTION PLAN

### **FINDING 2015-004**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer

Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

With the beginning of the 2016-17 Special Education Grant Cycle, the person preparing the Federal Grant reimbursement for the State will sign the reimbursement; and then have the Director of Special Programs review and sign the reimbursement before submitted to the state for reimbursement.

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

# JCSC JENNINGS COUNTY SCHOOL CORPORATION

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34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent  
Phone: (812) 346-4483  
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## CORRECTIVE ACTION PLAN

### **FINDING 2015-005**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer  
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

From this point forward, all JCSC employees paid 100% from a Federal Title I Grant will complete a semi-annual Time & Effort Log, reviewed and signed by the Director of the program. JCSC employees paid partially from a Federal Title I Grant and also paid from Local funds will complete a Time & Effort Log every pay period to be reviewed by the Director of the Federal Title I program and signed.

Anticipated Completion Date: Immediately

Amber Fields  
(Signature)

Treasurer  
(Title)

8-25-17  
(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent  
Phone: (812) 346-4483  
Fax: (812) 352-8194

### CORRECTIVE ACTION PLAN

**FINDING 2015-006**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer  
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Director of the Title I Federal Program will upon completion of the Title I Comparability report, have another JCSC Administrator (Superintendent) review and sign the report before it is submitted to the State for review. Likewise, before the Title I Grant application is submitted to the State, the Title I Director will have the application reviewed by an Administrator of JCSC (Superintendent) before submission. In addition, the Deputy Treasurer will have any Title I Reimbursement Requests and the Final financial Report reviewed by another Central Office administrator before submission.

Beginning immediately, the JCHS guidance staff (Stephanie Boswell) will print a report monthly of those students removed from their Cohort groups, and the High School Principal (Tom Black) will review and sign the report. The JCSC Superintendent will keep the file of these reports.

Anticipated Completion Date: Immediately

Amber Fields  
(Signature)

Treasurer  
(Title)

August 31, 2017  
(Date)

# JCSC JENNINGS COUNTY SCHOOL CORPORATION

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34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

Phone: (812) 346-4483

Fax: (812) 352-8194

## CORRECTIVE ACTION PLAN

### **FINDING 2015-007**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer  
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

From this point forward, all JCSC employees paid 100% from a Federal Title II Grant will complete a semi-annual Time & Effort Log, reviewed and signed by the Director of the program. JCSC employees paid partially from a Federal Title II Grant and also paid from Local funds, will complete a Time & Effort Log every pay period to be reviewed by the Director of the Federal Title II program and signed

Anticipated Completion Date: Immediately

Amber Fields  
(Signature)

Treasurer  
(Title)

8-25-17  
(Date)

# JCSC JENNINGS COUNTY SCHOOL CORPORATION

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34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent

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## CORRECTIVE ACTION PLAN

### **FINDING 2015-008**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer  
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

### Description of Corrective Action Plan:

Beginning immediately, the person preparing the Federal Title II Grant reimbursements for the State, will sign the reimbursement; and then have the Director of the Federal Title II Program review and sign the reimbursement before submitted to the state for reimbursement.

Anticipated Completion Date: Immediately

Amber Fields

(Signature)

Treasurer

(Title)

8-25-17

(Date)

34 W. Main St, North Vernon, Indiana 47265

Ms. Teresa Brown, Superintendent  
Phone: (812) 346-4483  
Fax: (812) 352-8194

### CORRECTIVE ACTION PLAN

**FINDING 2015-009**

Contact Person Responsible for Corrective Action: Amber Fields, Treasurer  
Contact Phone Number: (812) 346-4483 X 1028

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Beginning immediately, the JCHS Food Service Director (Susan Harding) will provide copies of the student poverty data and approval process for both public and non-public schools to the Food Service financial data employee to review before submission.

In addition, any student recommended for the Title I Program by a teacher will have all documentation reviewed by the Title I Director or administrator of the district, to certify eligibility of the student.

Anticipated Completion Date: Immediately

Amber Fields  
(Signature)

Treasurer  
(Title)

August 31, 2017  
(Date)

JENNINGS COUNTY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on August 30, 2017, with Amber K. Fields, Treasurer; Teresa A. Brown, Superintendent of Schools; and Myra Fischvogt, Deputy Treasurer.