

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
NORTH NEWTON SCHOOL CORPORATION
NEWTON COUNTY, INDIANA
July 1, 2014 to June 30, 2016



FILED
12/19/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer/Director of Business and Finance	Karen L. Zackfia	07-01-14 to 06-30-18
Superintendent of Schools	Destin L. Haas	07-01-14 to 06-30-18
President of the School Board	Nathan Gibson Michael Russell	07-01-14 to 12-31-15 01-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE NORTH NEWTON SCHOOL
CORPORATION, NEWTON COUNTY, INDIANA

This report is supplemental to our audit report of the North Newton School Corporation (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/.

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

November 2, 2017

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for government units (Gateway), which is a financial reporting system and was used to compile the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The Director of Business and Finance prepared the federal award information entered into Gateway without a control process in place to ensure its accuracy before submission.

Context

The lack of adequate internal controls was a systemic issue, which occurred throughout the audit period.

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 had not established a system of internal control to ensure proper reporting of the SEFA.

Effect

The failure to establish and properly implement controls could have enabled material misstatements of the SEFA to remain undetected.

NORTH NEWTON 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 2016-002

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors related to financial transactions and reporting.

Receipts

The Deputy Treasurer issued and recorded receipts and reconciled the receipts to the bank statements without a proper system of oversight or review.

Vendor Disbursements

Claims were entered into the financial accounting system by the Treasurer without a proper system of oversight or review to ensure that amounts entered were accurate. Also, the Treasurer printed checks and the Deputy Treasurer mailed the checks; however, this segregation of duties was not documented and could not be verified.

Context

The lack of controls over receipts and vendor disbursements was a systemic problem, which occurred throughout the audit period.

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.

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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 controls.

Effect

The failure to establish and properly implement 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 financial transactions and reporting.

Views of Responsible Officials

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

Auditor's Response

The Corrective Action Plan states that the School Corporation has a system of controls which included segregation of duties related to financial transactions and reporting. However, the Treasurer was solely responsible for issuing and recording receipts and reconciling the receipts to the bank statement without a system of oversight or review. In addition, the School Corporation failed to properly document segregation of duties related to vendor disbursements.

FINDING 2016-003

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

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 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

Audit Finding: Material Weakness

Repeat Finding

This is a partial repeat of Finding 2014-001 from the immediate prior audit year.

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Condition

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

The Food Service Director performed the verifications of free and reduced price meal applications and made the determination of whether or not a change in eligibility was necessary without a proper system of oversight or review.

Context

The lack of effective controls was a systemic issue 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 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). . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement 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.

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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 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.

FINDING 2016-004

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): 14-5945, 15-5945, 16-5945
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

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

There was no oversight or review process to ensure that the determinations of students eligible to receive services were accurate.

Context

The lack of controls was a systemic issue 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. . . ."

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over 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). . . ."

Cause

The School Corporation had not developed a system of internal controls that would have ensured compliance with the Eligibility compliance requirement.

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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement 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 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 2016-005

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate

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): 14-5945, 15-5945, 16-5945

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report Card,
High School Graduation Rate

Audit Finding: Material Weakness

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The Cohort Mobility Report was completed by the Registrar without evidence of a review process.

Context

The lack of controls was a systemic issue 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 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). . . ."

Cause

The School Corporation had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement 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.

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate 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

Subject: Special Education Cluster (IDEA) - Level of Effort

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): 14213-051-PN01, 14214-051-PN01,
14215-051-PN01, 14216-049-PN01,
99914-051-TA01, 45714-051-PN01,
45715-051-PN01, 45716-051-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Finding: Material Weakness

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Level of Effort - Maintenance of Effort requirements of the Matching, Level of Effort, Earmarking compliance requirement.

The Excess Cost Calculator report, which determined the Level of Effort - Maintenance of Effort for the School Corporation, was prepared by the Treasurer without oversight or review to ensure that the amounts reported were accurate.

Context

The lack of internal controls was a systemic issue throughout the audit period.

NORTH NEWTON 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over 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). . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Level of Effort - Maintenance of Effort requirements of the Matching, Level of Effort, Earmarking compliance requirement.

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 requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement 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 to ensure compliance with the Level of Effort - Maintenance of Effort requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Views of Responsible Officials

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

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

FINDING 2016-007

Subject: Special Education Cluster (IDEA) - Suspension and Debarment
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): 14214-051-PN01, 14215-051-PN01,
14216-049-PN01, 4715-051-PN01,
4716-049-PN01

Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion - Noncompliance

Repeat Finding

This is not a repeat finding from the immediate prior year.

Condition

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

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

This is a systemic issue which occurred throughout the audit period. No verification procedures were performed for any of the contracted vendors paid from the grants.

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 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). . . ."

NORTH NEWTON SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

2 CFR 180.300 states:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and 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 to ensure compliance and comply with the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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



North Newton School Corporation

310 South Lincoln Street
P.O. Box 8
Morocco, Indiana 47963
Phone: 219-285-2228

Destin Haas, Ed.S.
Superintendent

Karen L. Zackfia, C.P.A.
Director of Business and Finance

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Persons Responsible for Corrective Action : Karen Zackfia, Director of Business and Finance
Contact Phone Number: 219-285-2228

We concur with the finding.

Description of Corrective Action Plan:

The federal award information is entered into the Indiana Gateway for Government Use (Gateway) by the Director of Business and Finance. Before submission, the Superintendent will review the federal award information entered into the Indiana Gateway for Government Use (Gateway). Upon the completion of the review and approval by the Superintendent, the Director of Business and Finance will submit the federal award information.

Anticipated Completion Date:

The anticipated completion date for the corrective action plan is August 22, 2017. North Newton School Corporation has already made this change.



(Signature)

Director of Business and Finance

(Title)

November 2, 2017

(Date)



North Newton School Corporation

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Destin Haas, Ed.S.
Superintendent

Karen L. Zackfia, C.P.A.
Director of Business and Finance

CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Persons Responsible for Corrective Action : Karen Zackfia, Director of Business and Finance
Contact Phone Number: 219-285-2228

We concur with part of the finding that the school corporation has neither a system of written documentation to prove our internal control system nor a system to review posted transactions for posting errors. We do not agree with rest of the finding. The school corporation does have a system of controls which includes segregation of duties relating to financial transactions and reporting .

Description of Corrective Action Plan:

1. Receipts – The Secretary received the money orders or checks and started the Revenue Log. The Director of Business and Finance entered the following information into Komputrol: date, received from, fund, account, cost center, amount, payment type, bank number, and reference. A receipt edit was printed. The Receipt Edit was reviewed and verified to source documents by the Director of Business and now in addition by the Deputy Treasurer for a second check. Receipts are printed by the Director of Business and Finance. Receipts are posted by the Deputy Treasurer. When the posting occurs, a Revenue Posting Journal is printed from Komputrol. Now, this report will be checked for accuracy by the Director of Business and Finance and the Deputy Treasurer. The Secretary will distribute the receipts to the appropriate individual. If there is a posting error, a correction will be completed by the Director of Business and Finance after the approval of the Superintendent. All tasks will be documented on the Revenue Log.
2. Disbursements - Claims are fully completed for payment by the Deputy Treasurer after sign off by the person who received the goods or services. Claims are forwarded to the Director of Business and Finance and entered into the Komputrol system. A Voucher Edit is printed and verified to the Claim by the Director of Business and Finance. Now, the Voucher Edit will also be reviewed by the Deputy Treasurer. Checks, Accounts Payable Voucher Detail for Board of Trustees and Superintendent, and Voucher Labels (with the date, vendor, appropriation number, and amount) are printed by the Director of Business and Finance. The Claims are posted by the Director of Business and Finance. The Accounts Payable Voucher Detail is given to the Superintendent for review and Board of Trustees for review and approval at the Board meeting. The Claims, Checks, and Voucher Labels are forwarded to the Deputy Treasurer. The



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Karen L. Zackfia, C.P.A.
Director of Business and Finance

Deputy Treasurer visually verified that each Check was issued to the correct vendor from the correct appropriation for the proper amount with verification. Furthermore, the Label was compared to the Claim to ensure posting accuracy when the Label was attached to the Claim by the Deputy Treasurer. The Deputy Treasurer sealed each Check in an envelope and gave them to the Secretary to be mailed or distributed. An Expenditure Log will be created to document the segregation of duties. The If there is an error in posting, a correction will be completed by the Director of Business and Finance after the approval of the Superintendent.

Anticipated Completion Date:

North Newton School Corporation will implement the correction action plan on December 1, 2017.



(Signature)

Director of Business and Finance

(Title)

November 2, 2017

(Date)



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Destin Haas, Ed.S.
Superintendent

Karen L. Zackfia, C.P.A.
Director of Business and Finance

CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Persons Responsible for Corrective Action : Karen Warne, Food Service Director
Karen Zackfia, Director of Business and Finance

Contact Phone Number: Karen Warne, 219-285-2252 ext. 222; Karen Zackfia, 219-285-2228

We concur with the finding.

Description of Corrective Action Plan:

The school corporation is required to complete the Verification Summary Report which is submitted to the Indiana Department of Education. The report documents the testing of three percent of the free/reduced applications for accuracy and compliance with the National School Lunch standards. The Food Service Director determined the population and completed the testing of the applications and supporting documentation. The Food Service Director documented the test with initials and date. A second check was completed by the Registrar who documented with initials and the date. Then, the Verification Summary Report was entered online by the Food Service Director. Now, the report will be saved before submission and printed. A Food Service Employee will review the Verification Summary Report for accuracy to the applications and supporting documentation. This review will be documented with initials and the date. Once the Food Service Employee has completed the review of the Verification Summary Report, the Food Service Director will submit the report.

Anticipated Completion Date:

The anticipated completion date for the corrective action plan is December 1, 2017.



(Signature)

Food Service Director

(Title)

November 2, 2017

(Date)



(Signature)

Director of Business and Finance

(Title)

November 2, 2017

(Date)



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Destin Haas, Ed.S.
Superintendent

Karen L. Zackfia, C.P.A.
Director of Business and Finance

CORRECTIVE ACTION PLAN

FINDING 2016-004

Contact Persons Responsible for Corrective Action : Sherri Cripe, Title 1 Program Administrator
Karen Zackfia, Director of Business and Finance

Contact Phone Number: Sherri Cripe, 219-285-2258; Karen Zackfia, 219-285-2228


We concur with the finding.

Description of Corrective Action Plan:

The initial recommendation of students for Title 1 services was completed by the Classroom Teacher based upon teacher input and testing data. The testing data was from various sources including NWEA Reading, ESGI, and Fountas & Pinnell Reading Levels. The Title 1 Employees reviewed the initial recommendation of the Classroom Teacher to determine students' eligibility for Title 1 services. The review will be documented with initials and the date. Now, a review of the determination of students' eligibility for Title 1 services or second review will be completed by the Title 1 Program Administrator and documented with initials and date.

Anticipated Completion Date:

The anticipated completion date for the corrective action plan is December 1, 2017.



(Signature)

Title 1 Program Administrator

(Title)

November 2, 2017

(Date)



(Signature)

Director of Business and Finance

(Title)

November 2, 2017

(Date)



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Destin Haas, Ed.S.
Superintendent

Karen L. Zackfia, C.P.A.
Director of Business and Finance

CORRECTIVE ACTION PLAN

FINDING 2016-005

Contact Persons Responsible for Corrective Action : Sherri Cripe, Title 1 Program Administrator
Karen Zackfia, Director of Business and Finance

Contact Phone Number: Sherri Cripe, 219-285-2258; Karen Zackfia, 219-285-2228

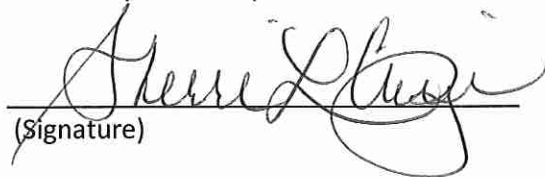
We concur with the finding.

Description of Corrective Action Plan:

The Special Tests – Annual Report Card, High School Graduation Rate compliance requirement was completed by the Registrar. Now in addition, the Registrar will print the related reports and the Principal will review for accuracy. Documentation of the review will be completed with initials and the date. After approval of the Principal, the Registrar will submit the reports to the Indiana Department of Education.

Anticipated Completion Date:

The anticipated completion date for the corrective action plan is December 1, 2017.



(Signature)

Title 1 Program Administrator

(Title)

November 2, 2017

(Date)



(Signature)

Director of Business and Finance

(Title)

November 2, 2017

(Date)



North Newton School Corporation

310 South Lincoln Street
P.O. Box 8
Morocco, Indiana 47963
Phone: 219-285-2228

Destin Haas, Ed.S.
Superintendent

Karen L. Zackfia, C.P.A.
Director of Business and Finance

CORRECTIVE ACTION PLAN

FINDING 2016-006

Contact Persons Responsible for Corrective Action : Karen Zackfia, Director of Business and Finance
Contact Phone Number: 219-285-2228

We concur with the finding.

Description of Corrective Action Plan:

The Level of Effort – Maintenance of Effort was completed by the Director of Business and Finance from the financial records of the school corporation. The documents are initialed and dated. Now, the Level of Effort –Maintenance of Effort will be reviewed before submission by the Superintendent or designee for accuracy. The review will be documented with initials and the date.

Anticipated Completion Date:

The anticipated completion date for the corrective action plan is December 1, 2017.



(Signature)

Director of Business and Finance

(Title)

November 2, 2017

(Date)



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Destin Haas, Ed.S.
Superintendent

Karen L. Zackfia, C.P.A.
Director of Business and Finance

CORRECTIVE ACTION PLAN

FINDING 2016-007

Contact Persons Responsible for Corrective Action : Karen Zackfia, Director of Business and Finance
Contact Phone Number: 219-285-2228

We concur with the finding.

Description of Corrective Action Plan:

In order to be in compliance with OMB Circular A-133, Subpart C, section .300 regarding Suspension and Debarment requirements the School Corporation/Special Education Cooperative will:

- A) Check the SAM exclusions by checking the website (sam.gov) to verify status *or*
 - B) Collect a certification from that person or contractor (see attachment)
- prior to entering into any contractual agreement. Documentation of the above actions will be maintained at both offices of the Rensselaer Central School Corporation and Cooperative School Services.

Anticipated Completion Date:

The anticipated completion date for the corrective action plan is December 1, 2017.



(Signature)

Director of Business and Finance

(Title)

November 2, 2017

(Date)

NORTH NEWTON SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 2, 2017, with Karen L. Zackfia, Treasurer/
Director of Business and Finance; Michael Russell, President of the School Board; and Sherri L. Cripe,
K-12 Administrator/Principal.