

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ADAMS CENTRAL COMMUNITY SCHOOLS

ADAMS COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
01/19/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela S. Hawbaker Dawn M. Cook	07-01-14 to 12-31-14 01-01-15 to 06-30-18
Superintendent of Schools	Dr. Lori M. Stiglitz (Vacant)	07-01-14 to 11-14-17 11-15-17 to 06-30-18
President of the School Board	Brian L. Tonner George W. Kuntzman John D. Sipe Timothy R. Tobias	07-01-14 to 03-10-15 03-11-15 to 06-09-15 06-10-15 to 12-31-16 01-01-17 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ADAMS CENTRAL COMMUNITY SCHOOLS, ADAMS COUNTY, INDIANA

This report is supplemental to our audit report of the Adams Central Community Schools (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

December 7, 2017

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS

**FINDING 2016-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediate prior report. The prior report finding was 2014-001.

*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).

*Context*

The SEFA presented for audit contained the following errors:

1. The National School Lunch Program commodities were not included, resulting in an understatement of expenditures by \$33,972 for fiscal year 2015 and \$35,074 for fiscal year 2016.
2. The Special Education Cluster (IDEA) expenditures were understated by \$131,997 for fiscal year 2015 and \$17,948 for fiscal year 2016.
3. The Career and Technical Education expenditures were understated by \$4,136 for fiscal year 2015 and \$1,582 for fiscal year 2016.

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 § \_\_\_\_\_.310. . . ."

ADAMS CENTRAL COMMUNITY SCHOOLS  
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:

ADAMS CENTRAL COMMUNITY SCHOOLS  
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 that 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 remained undetected. The SEFA contained the errors identified in the *Context*.

*Recommendation*

We recommended the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

*Views of Responsible Officials*

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

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-002***

Subject: Child Nutrition Cluster - Internal Controls  
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: FY 2014/2015, FY 2015/2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Eligibility, Reporting, Equipment and Real Property Management, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediate prior report regarding the Cash Management and Equipment and Real Property Management compliance requirements. The prior report finding numbers were 2014-002 and 2014-003.

*Condition*

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Equipment and Real Property Management, Reporting, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).

*Cash Management*

Management of the School Corporation had not established documented controls to ensure that the School Lunch fund cash balances were less than or equal to the three months average expenditures.

*Eligibility*

There were no controls in place to ensure that eligibility determinations were performed when required or were accurate. The Middle School Extracurricular Treasurer independently completed the eligibility determinations. There was no segregation of duties, such as an oversight, review, or approval process.

*Equipment and Real Property Management*

Management of the School Corporation had not established documented controls to ensure that the School Lunch fund asset additions and asset deletions were maintained and monitored.

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Reporting*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the Annual Financial Reports, School Food Authority (SFA) Verification Collection Reports, and Monthly Sponsor Claims (claims for reimbursement) were accurate prior to submission. One person prepared and submitted the reports. There was no segregation of duties, such as an oversight, review, or approval process.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)*

There were no controls in place to ensure that eligibility determinations were performed when required or were accurate. The Middle School Extracurricular Treasurer independently completed the eligibility determinations. There was no segregation of duties, such as an oversight, review, or approval process.

*Context*

The lack of properly designed and implemented controls was a systemic problem, which occurred 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). . . ."

*Cause*

The School Corporation had not established and implemented an effective internal control system that segregated key functions.

ADAMS CENTRAL COMMUNITY SCHOOLS  
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 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 2016-003**

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles  
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 Number): FY 2014/2015, FY 2015/2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Modified Opinion

*Condition*

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

The School Corporation operated a food service program that was the recipient of federal funding from the School Breakfast Program and the National School Lunch Program. All transactions related to the food service program were recorded in the School Lunch fund. This included, but was not limited to, salaries and benefits, food purchases, supplies, and all program income generated by the food service program.

*Context*

Management of the School Corporation had not established an effective internal control system to ensure that only allowable costs were paid with food service program funds. The School Corporation charged indirect costs directly to the food service program rather than to charge the Indirect Cost Unrestricted Rate. This was in violation of the requirement that all federal programs be handled consistently for applying indirect costs. The following indirect costs charged directly to the food service program are considered questioned costs:

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

1. The food service program paid a percentage of two administrative corporation employees' salaries for fiscal years 2015 and 2016. The administrative employees did not maintain personnel activity reports to support the distribution of a portion of their salaries to the food service program. The amount of the administrative salaries charged to the food service program without proper supporting documentation totaled \$11,677.
2. The food service program paid a set amount of the monthly electric service without being separately metered for only the food service program area. The amount of the electricity charged to the food service program without separate invoicing totaled \$69,000.
3. The food service program paid a portion of the amount of the monthly trash service without being separately invoiced for the food service program trash bin usage. The amount of the trash service charged to the food service program without separate invoicing totaled \$4,746.
4. The food service program paid a portion of the amount of the monthly pest service without being separately invoiced for the food service program area treated. The amount of the pest service charged to the food service program without separate invoicing totaled \$1,239.

*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). . . ."

OMB Circular A-87, Attachment A, section C.1 states in part:

"Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of this Circular. . . ."

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

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

". . . (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 non-Federal award,
  - (c) An indirect cost activity and a direct cost activity . . .
- (5) Personnel activity reports or equivalent documentation must meet the following standards:
- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
  - (b) They must account for the total activity for which each employee is compensated,
  - (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
  - (d) They must be signed by the employee. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal controls that would have ensured that indirect costs were not charged directly to the program rather than at the Indirect Cost Unrestricted Rate.

*Effect*

The failure to establish internal controls enabled material compliance 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*

Known questioned costs identified totaled \$86,662.

*Recommendation*

We recommended that the School Corporation's management establish effective controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2016-004**

Subject: Special Education Cluster (IDEA) - Matching, Level of Effort, Earmarking 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): 14213-001-PN01, 14214-001-PN01,  
14215-001-PN01, 14216-001-PN01,  
99914-001-TA01, 45714-001-PN01,  
45715-001-PN01, 45716-001-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Matching, Level of Effort, Earmarking and Reporting

Audit Finding: Material Weakness

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Condition*

The School Corporation was a member of the Adams-Wells Special Services Cooperative (Cooperative). The Cooperative operated the Special Education program on behalf of the School Corporation and managed the Special Education grants. There was no oversight of the Cooperative by the School Corporation. Since the grant agreements were between the Indiana Department of Education (IDOE) and each member school corporation of the Cooperative, each member school corporation was ultimately responsible for ensuring compliance with the requirements.

An effective internal control system was not in place at the Cooperative in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

*Context*

The Cooperative's internal control was that the reports were to be reviewed by the Cooperative's Director prior to submission to the IDOE. The Quarterly Proportionate Share Monitoring Reports for Non-Public Schools presented for audit were not the original reviewed and signed reports. Also, some of the reports presented were incomplete. Per inquiry of the School Corporation's officials, there was no oversight at the School Corporation over the filing of required reports submitted to the IDOE.

Of the Quarterly Proportionate Share Monitoring Reports for Non-Public Schools presented for the audit, we could not verify the reported "proportionate share" expenditures. Per inquiry of the Director of the Cooperative, the reported expenditures were calculated by multiplying the applicable monthly reimbursed expenditures by the non-public school usage percentage, which was calculated based on a time study conducted annually by the Cooperative's Director. A copy of the time study was requested, but it was not available for audit.

The lack of controls was a systemic problem, which occurred 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). . . ."

ADAMS CENTRAL COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management had not designed or implemented a system of internal control for the Matching, Level of Effort, Earmarking and Reporting compliance requirements.

*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.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended the School Corporation's management establish controls related to the Matching, Level of Effort, Earmarking 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 2016-005**

Subject: Title I Grants to Local Educational Agencies - Reporting  
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): 13-0015, 14-0015, 15-0015  
Pass-Through Entity: Indiana Department of Educations  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

*Condition*

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

There were no controls in place to ensure the Monthly Reimbursement Reports were accurate prior to submission.

*Context*

The lack of controls was a systemic problem which applied to all of the Monthly Reimbursement Reports submitted during the audit period.

ADAMS CENTRAL COMMUNITY SCHOOLS  
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). . . ."

*Cause*

The School Corporation had not established an effective system of internal controls to ensure compliance with the Reporting requirements.

*Effect*

The failure to establish an effective internal control system could have enabled material noncompliance to go undetected. 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 to ensure compliance with the Reporting compliance requirement.

*Views of Responsible Officials*

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

# ADAMS CENTRAL COMMUNITY SCHOOLS

222 West Washington Street, Monroe, IN 46772 • Phone: 260-692-6193

## OFFICE OF THE SUPERINTENDENT



Dawn Cook  
Corporation Treasurer

Arnita Heyerly  
Deputy Treasurer

Kelli Fuhrmann  
Secretary to Superintendent

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## CORRECTIVE ACTION PLAN

### ***FINDING 2016-001 Preparation of the Schedule of Expenditures of Federal Awards***

Contact Person Responsible for Corrective Action: Dawn Cook  
Contact Phone Number: (260) 692-1009  
Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Adams Central Community Schools is working to understand the information required to be entered into Gateway and will create instructions / past examples, detailing how to complete the SEFA accurately. The Corporation Treasurer will execute the reports and have the Deputy Treasurer review and sign. The Corporation Treasurer will then complete the Gateway reporting for submission prior to the due date.

Anticipated Completion Date: Ongoing – The Schedule of Expenditures of Federal Awards completion dates have been placed on the school calendar. Notes have been placed in past files indicating this requires a review and signature of another knowledgeable individual.

### ***FINDING 2016-002 Child Nutrition Cluster – Internal Controls***

Contact Person Responsible for Corrective Action: Michele Barger & Dawn Cook  
Contact Phone Number: (260) 692-6193  
Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Adams Central Community Schools has implemented a quarterly review to ensure balances are declining from the excess of three-month average allowable for a non-profit entity. We will also work with the middle school extracurricular treasurer to establish another individual to provide oversight, review and approve the Eligibility and Verification process. Adams Central Community Schools has implemented a spreadsheet tracking system that is updated as claims are processed by the Corporation Treasurer. This document is then reviewed yearly by the Director of Maintenance and Director of School Nutrition for omissions, with them both signing after their review.

Anticipated Completion Date: Partially Completed and Ongoing

### ***FINDING 2016-003 Child Nutrition Cluster – Allowable Costs/Cost Principles***

Contact Person Responsible for Corrective Action: Michele Barger & Dawn Cook  
Contact Phone Number: (260) 692-6193  
Views of Responsible Official: We concur with the finding



**Inspiring and Empowering Students to Succeed**

Description of Corrective Action Plan: Adams Central Community Schools already has Indirect Cost Rates assigned by the IDOE to be used with this Fund and has made the necessary corrections regarding the electric, trash and pest services. The administrative corporation employees' salaries that are allocated to the food service program will now start completing time and effort logs beginning in January 2018 for proper documentation and support.

Anticipated Completion Date: Partially Completed and Ongoing

***FINDING 2016-004 Special Education Grants – Matching, Level of Effort, Earmarking and Reporting***

Contact Person Responsible for Corrective Action: Dawn Cook  
Contact Phone Number: (260) 692-6193  
Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Adams Central Community Schools will review (initial and date) the Quarterly Proportionate Share Monitoring Reports for Non-Public Schools prepared by Adams Wells Cooperative, along with the supporting documentation. After review, we will advise Adams Wells Cooperative of any relative comments and approve Adams Central Community Schools' portion of the report for submittal to the State.

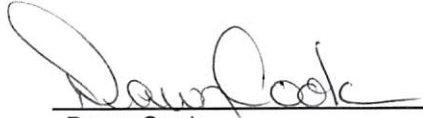
Anticipated Completion Date: Current and Ongoing

***FINDING 2016-005 Title I Grants - Reporting***

Contact Person Responsible for Corrective Action: Abby DeRoo & Dawn Cook  
Contact Phone Number: (260) 692-6193  
Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Adams Central Community Schools has already implemented additional control processes. Each process is reviewed by someone other than the person performing the process, with them signing for proper documentation purposes.

Anticipated Completion Date: Completed

  
\_\_\_\_\_  
Dawn Cook  
Corporation Treasurer  
  
12/7/17  
\_\_\_\_\_  
Date



ADAMS CENTRAL COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2017, with Dawn M. Cook, Treasurer; Timothy R. Tobias, President of the School Board; Adam T. Miller, School Corporation Attorney; Jeffrey A. McCullough, High School Principal; Chad W. Smekens, Middle School Principal; and Terri J. Laurent, Elementary School Principal.