

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
CENTER GROVE COMMUNITY SCHOOL CORPORATION  
JOHNSON COUNTY, INDIANA  
July 1, 2013 to June 30, 2015



**FILED**  
03/05/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra London	07-01-13 to 06-30-18
Superintendent of Schools	Richard Arkanoff	07-01-13 to 06-30-18
President of the School Board	Jack L. Russell	07-01-13 to 12-31-13
	Scott Alexander	01-01-14 to 12-31-14
	Carol Tumey	01-01-15 to 12-31-15
	Adam Norman	01-01-16 to 12-31-16
	Jack L. Russell	01-01-17 to 12-31-17
	Scott Alexander	01-01-18 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CENTER GROVE COMMUNITY SCHOOL CORPORATION, JOHNSON COUNTY, INDIANA

This report is supplemental to our audit report of the Center Grove Community 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

February 19, 2018

CENTER GROVE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS

***FINDING 2015-001***

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): 13-4205, 14-4205, 15-4205  
Pass-Through Entity: Indiana Dept of Education  
Compliance Requirement: Reporting  
Audit Finding: Significant Deficiency

*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 the Reporting compliance requirement. A control procedure was in place to ensure compliance with requirements related to the Final Expenditure Report; however, no evidence was provided for audit to document this control procedure.

*Context*

The lack of documentation of controls 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. . . ."

*Cause*

Management had not developed a system of internal controls to ensure compliance with the Reporting 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 Reporting compliance requirement.

*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 requirements related to the Reporting compliance requirement.

CENTER GROVE COMMUNITY 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: School Breakfast Program and National School Lunch Program - Eligibility and Reporting

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Number and Year (or Other Identifying Number): 4205

Pass-Through Entity: Indiana Dept of Education

Compliance Requirements: Eligibility, 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 the Eligibility and Reporting compliance requirements. The School Corporation did not have a control procedure in place to ensure compliance with requirements related to notification of household on eligibility determination and the Annual Financial Report.

*Context*

The lack of controls 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. . . ."

*Cause*

Management had not developed a system of internal controls to ensure compliance with the compliance requirements mentioned above.

*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.

CENTER GROVE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

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

*Views of Responsible Officials*

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

Tuesday, January 23, 2018

**CORRECTIVE ACTION PLAN**

**FINDING 2015-001**

Contact Person Responsible for Corrective Action: Sandra London, Corporation Treasurer  
Contact Phone Number: (317) 881-9326

Views of Responsible Official:

The Indiana Department of Education does not require dual signatures on the final Title I report so Center Grove did not have the Title I director sign the final report prepared by the Corporation Treasurer. We do value the internal controls necessary for financial reporting and will begin requiring dual signatures on the final report for Title I.


Description of Corrective Action Plan:


The Corporation Treasurer will prepare the final report for Title I and share a copy of the report with the Title I director via email before submitting. When the Title I director approves, an email will be sent to the Corporation Treasurer, and the final report will be submitted. After the report is submitted, the Corporation Treasurer will make file copies and the both the Treasurer and Title I director will sign and date the final file copies.

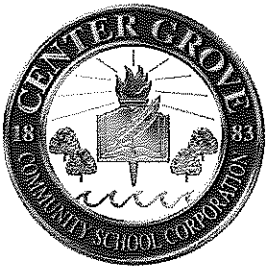
Anticipated Completion Date:

We will begin this process with the 2017-18 Title I grant. Since our 2013-15 and our 2015-17 audits were done back to back, we did not have a chance to implement this change before this time.

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Date)



4800 West Stones Crossing Road  
Greenwood, Indiana 46143-6614  
(317) 881-9326  
FAX (317) 881-0241

# Center Grove Community School Corporation

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## CORRECTIVE ACTION PLAN

### **FINDING 2015-002**

Contact Person Responsible for Corrective Action: Shannon Maples, R.D.  
Contact Phone Number: (317) 881-9326 ext. 1609

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

Eligibility: Conduct Confirmation review on applications

Reporting: Have the food service treasurer review and sign off on the Annual Financial Report before submitting to the DOE

Anticipated Completion Date: By the end of the 17-18 School Year

Shannon Maples  
(Signature)

Food Service Director  
(Title)

1-16-18  
(Date)

CENTER GROVE COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on February 19, 2018, with Sandra London, Treasurer; Paul Gabriel, Chief Financial Officer; Jack L. Russell, School Board member; and Richard Arkanoff, Superintendent of Schools.