

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, 2015 to June 30, 2017



FILED
03/08/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra London	07-01-15 to 06-30-18
Superintendent of Schools	Richard Arkanoff	07-01-15 to 06-30-18
President of the School Board	Carol Tumey Adam Norman Jack L. Russell Scott Alexander	07-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17 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, 2015 to June 30, 2017. 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

February 19, 2018

CENTER GROVE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2017-001

Subject: School Breakfast Program and National School Lunch Program - 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): Agreement 41-4205
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-002.

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. The School Corporation did not have a control procedure in place to ensure compliance with requirements related to the Annual Financial Report.

Context

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

Criteria

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 awards 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 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.

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 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.

FINDING 2017-002

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): 15-4205, 16-4205 S010A150014,
17-4205 S010A150014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Significant Deficiency

Repeat Finding

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2015-001.

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

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). . . ."

CENTER GROVE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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.

Views of Responsible Officials

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



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Center Grove

Community School Corporation

CORRECTIVE ACTION PLAN

FINDING 2017-001

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:

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)

FS Director
(Title)

1-29-18
(Date)

Tuesday, January 30, 2018

CORRECTIVE ACTION PLAN

FINDING 2017-002

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 and submitted 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.

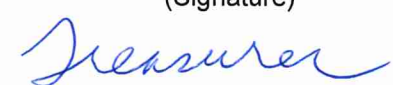
Description of Corrective Action Plan:

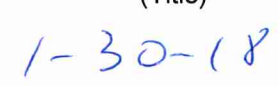
The Corporation Treasurer will prepare the final report for Title I and share a copy of the report with the Title I director via email before submitting. When the Title I director approves, an email will be sent to the Corporation Treasurer, and the final report will be submitted. After the report is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


CENTER GROVE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

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