

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DANVILLE COMMUNITY SCHOOL CORPORATION

HENDRICKS COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**

05/15/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kim Baker	07-01-14 to 06-30-18
Superintendent of Schools	Dr. Tracey Shafer	07-01-14 to 06-30-18
President of the School Board	Matt Steward Dr. Michael C. Beaty	07-01-14 to 01-13-16 01-14-16 to 01-13-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE DANVILLE COMMUNITY SCHOOL  
CORPORATION, HENDRICKS COUNTY, INDIANA

This report is supplemental to our audit report of the Danville Community 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/](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

April 16, 2018

DANVILLE COMMUNITY SCHOOL CORPORATION  
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 audit. The prior audit finding number 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 Child Nutrition Cluster was understated \$440,470 during the audit period.
2. The National School Lunch Program Commodities were understated \$150,183 during the audit period.
3. The Special Education Cluster (IDEA) was overstated \$471,565 for the year ending June 30, 2015.
4. The Title I Grants to Local Educational Agencies were overstated \$46,749 for the year ending June 30, 2015.
5. The Improving Teacher Quality State Grants were overstated \$18,322 for the year ending June 30, 2015.
6. The Medical Assistance Program was understated \$21,396 for the audit period.
7. The Grants to States were understated \$9,983 for the year ending June 30, 2015.

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.

DANVILLE COMMUNITY 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. . . ."

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, misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish controls related to the preparation of 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 2016-002**

Subject: Child Nutrition Cluster - Eligibility  
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): 32-3325  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established and implemented an effective internal control system to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the determination of the application for free or reduced priced meals was proper. An oversight, review, or approval process had not been established. The Food Service Director was the sole person responsible for determining eligibility of applications filed.

The School Corporation did not properly determine eligibility for seven of the forty free and reduced priced school meals applications tested.

*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. . . ."

DANVILLE COMMUNITY 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 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). . . ."

7 CFR 245.6(c)(4) states:

"*Calculating income.* The local educational agency must use the income information provided by the household on the application to calculate the household's total current income. When a household submits an application containing complete documentation, as defined in § 245.2 and the household's total current income is at or below the eligibility limits specified in the Income Eligibility Guidelines as defined in § 245.2, the children in that household must be approved for free or reduced price benefits, as applicable."

*Cause*

The School Corporation had not established and implemented an effective internal control system that would have ensured compliance with the Eligibility compliance requirement.

*Effect*

The failure to establish and implement an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish and implement an internal control system to ensure compliance with 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.

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-003***

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
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): 32-3325  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Modified Opinion

*Condition*

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

The School Corporation was unable to provide any supporting documentation for this compliance requirement.

*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. . . ."

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). . . ."

7 CFR 3016.20(b)(2) states:

"Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

7 CFR 3016.42 states in part:

"(a) *Applicability.*

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

(ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement. . . .

(b) *Length of retention period.*

(1) Except as otherwise provided, records must be retained for three years . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

The School Corporation had not established and implemented an effective internal control system that would have ensured records were properly maintained to verify compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish and implement an effective internal control system and to maintain records related to the Procurement and Suspension and Debarment compliance requirement caused the opinion over the compliance of the program to be qualified.

*Questioned Costs*

There were no questioned costs identified.

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish and implement an internal control system to ensure records are properly retained to verify compliance with the grant agreement and 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.

**FINDING 2016-004**

Subject: National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity  
Federal Agency: Department of Agriculture  
Federal Program: National School Lunch Program  
CFDA Number: 10.555  
Federal Award Number and Year (or Other Identifying Number): 32-3325  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity  
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an implemented an effective internal control system to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

The School Corporation failed to retain supporting documentation for the Paid Lunch Equity calculation for the 2014-2015 fiscal period.

*Context*

The lack of controls and noncompliance occurred during the 2014-2015 fiscal year.

*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. . . ."

7 CFR 3016.42 states in part:

"(a) *Applicability.*

- (1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

(ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement. . . .

(b) *Length of retention period.*

(1) Except as otherwise provided, records must be retained for three years . . ."

*Cause*

The School Corporation had not established and implemented an effective internal control system that would have ensured records were properly maintained to verify compliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

*Effect*

The failure to establish and implement an effective internal control system resulted in records not being properly retained by the School Corporation to verify compliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish and implement an internal control system to ensure records are properly retained to verify compliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity 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: Child Nutrition Cluster - Reporting and Special Tests and Provisions -  
Verification of Free and Reduced Price Meal Applications

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): 32-3325

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Reporting, Special Tests and Provisions - Verification  
of Free and Reduced Price Meal Applications

Audit Findings: Material Weakness, Other Matters

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Condition*

The School Corporation had not established and implemented an effective internal control system to ensure compliance with requirements related to the grant agreement and the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Meal Applications compliance requirements.

The School Corporation failed to retain supporting documentation of the applications selected for the verification of free and reduced price meal applications and the Verification Summary Report required by Indiana Department of Education for school year 2015-2016.

*Context*

The lack of controls and noncompliance occurred during the 2015-2016 fiscal year.

*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). . . ."

7 CFR 3016.20(b)(2) states:

"Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

7 CFR 3016.42 states in part:

"(a) *Applicability.*

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

(i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

(ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement. . . .

(b) *Length of retention period.*

(1) Except as otherwise provided, records must be retained for three years . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

The School Corporation had not established and implemented an effective internal control system that would have ensured records were properly maintained to verify compliance with the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Meal Applications compliance requirements.

*Effect*

The failure to establish and implement an effective internal control system resulted in records not being properly retained by the School Corporation to verify compliance with the grant agreement and the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Meal Application compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish and implement an internal control system to ensure records are properly retained to verify compliance with the grant agreement and the Reporting and Special Tests and Provisions - Verification of Free and Reduced Price Meal Applications compliance requirements.

*Views of Responsible Officials*

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

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-006***

Subject: Child Nutrition Cluster - Program Income  
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): 32-3325  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Program Income  
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established and implemented an effective internal control system to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement.

The School Corporation did not actively maintain a Pre-Paid Food account for the purpose of recording program income. The School Corporation had not designed or implemented adequate policies and procedures over the Prepaid School Lunch fund (8400) until September 2015. All monthly receipts from sales, as well as prepayments for the school year 2014-2015, were recorded directly in the School Lunch fund (800). Beginning in September 2015, the School Corporation implemented policies and procedures which were effective. For the period covered by school year 2014-2015 and until September 2015, Program Income was not recorded properly. We were able to substantiate that the correct charges were being assessed for meals served.

*Context*

The lack of controls and noncompliance occurred during the 2014-2015 school year and until September 2015.

*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). . . ."

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 210.14(f)(3) states:

"All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.13(i) states in part:

"Each State agency. . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . . In addition, School Food Authorities shall be required to account separately for other food services which are operated by the School Food Authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfers out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, Volume 183)

*Cause*

The School Corporation had not established and implemented an effective internal control system that would have ensured compliance with the Program Income compliance requirement.

*Effect*

The failure to establish and implement an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Program Income compliance requirement for the period stated above.

*Questioned Costs*

There were no questioned costs identified.

DANVILLE COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish and implement an internal control system to ensure compliance with the grant agreement and the Program Income 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 2016-001**

**Contact Person Responsible for Corrective Action:** Tom Johnson

**Contact Phone Number:** 317-745-2212

**Views of Responsible Official:**

We concur with the findings under errors # 1 & 2. The numbers for the Child Nutrition Cluster and the National School lunch program were supplied by the previous food service director.

We concur with findings under error #3, although the amount reported represented a 2-year period and not a 1- year period.

We concur with findings under error #4.

We concur with findings under error #5.

We concur with findings under error #6, although the individual responsible for supplying that information is no longer employed.

We concur with findings under error #7.

**Description of Corrective Action Plan:**

Errors 1-2. The new food service director will work with the central office personnel when the Annual Financial Report is submitted.

Error #3. The central office administrator responsible for reporting and Annual Financial Report (AFR) will work with the central office grant manager prior to completing the AFR.

Error #4. The central office administrator will work with the Title 1 Director and the central office personnel who manages grants before completing the AFR.

Error #5. The central office administrator will work with the Director of Academic Services and well as the Treasurer and Asst. Treasurer prior to completing the AFR.

Error #6. The central office administrator will work with the Special Education Medicaid staff before completing the AFR.

Error #7. The central office administrator will work with the central office personnel who manages grants before completing the AFR.

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THE **DANVILLE** DIFFERENCE

Dr. Tracey R. Shafer, Superintendent

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[www.danville.k12.in.us](http://www.danville.k12.in.us)



**Anticipated Completion Date:** July 1, 2018

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THE **DANVILLE** DIFFERENCE

Dr. Tracey R. Shafer, Superintendent

200 Warrior Way | Danville, IN 46122 | P: (317) 745-2212 | F: (317) 745-3924

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## CORRECTIVE ACTION PLAN

**FINDING 2016-002**

**Contact Person Responsible for Corrective Action:** Stephanie Stuemke

**Contact Phone Number:** 317-745-0366

**Views of Responsible Official:** We concur with the findings. These applications were approved from the previous food service director and the practices have been updated/corrected since.

**Description of Corrective Action Plan:**

Online applications are now being utilized and income calculations are automatically calculated by the computer program from data entered by the household. For paper applications, income/data is entered into the computer from the application where the computer then calculates the income to determine eligibility. My secretary then checks and initials 10% of the processed applications to double check proper income eligibility.

Copies of approval/denial notifications have been stored on a drive on the computer. Going forward, copies will be saved as the application is processed and notifications are sent to the household. We can show proof of postage where notifications were mailed out.

**Anticipated Completion Date:**

July 2017

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(Signature)

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(Title)

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THE **DANVILLE** DIFFERENCE

Dr. Tracey R. Shafer, Superintendent

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[www.danville.k12.in.us](http://www.danville.k12.in.us)



## CORRECTIVE ACTION PLAN

**FINDING 2016-003**

**Contact Person Responsible for Corrective Action:** Stephanie Stuemke

**Contact Phone Number:** 317-745-0366

**Views of Responsible Official:** We concur with the findings. We were unable to find bids/debarment documents from previous food service director.

**Description of Corrective Action Plan:**

Since this review, Danville Food Service has joined the West Indy Co-op in January 2016 which procures our bread, milk, produce, and food supply vendor/commodity goods. Documentation of debarment and contracts are supplied by the co-op. All bids and documentation are able to be located on the co-op's website.

**Anticipated Completion Date:**

July 2016

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(Signature)

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(Title)

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THE **DANVILLE** DIFFERENCE

Dr. Tracey R. Shafer, Superintendent

200 Warrior Way | Danville, IN 46122 | P: (317) 745-2212 | F: (317) 745-3924

[www.danville.k12.in.us](http://www.danville.k12.in.us)



## CORRECTIVE ACTION PLAN

**FINDING 2016-004**

**Contact Person Responsible for Corrective Action:** Stephanie Stuemke

**Contact Phone Number:** 317-745-0366

**Views of Responsible Official:** We concur with the findings. We were unable to find the PLE tool for one year from previous food service director.

**Description of Corrective Action Plan:**

Since this review period, the Paid Lunch Equity tool has been kept on file. Paid Lunch Equity tools are available and calculated on an excel worksheet.

**Anticipated Completion Date:**

July 2016

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(Signature)

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(Title)

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## CORRECTIVE ACTION PLAN

***FINDING 2016-005***

**Contact Person Responsible for Corrective Action:** Stephanie Stuemke

**Contact Phone Number:** 317-745-0366

**Views of Responsible Official:** We concur with the findings. We were unable to find one year of verification due to previous food service director.

**Description of Corrective Action Plan:**

Since this review period, verification and the verification summary have been completed and are available for review.

**Anticipated Completion Date:**

October 2016

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(Signature)

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(Title)

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## CORRECTIVE ACTION PLAN

**FINDING 2016-006**

**Contact Person Responsible for Corrective Action:** Stephanie Stuemke

**Contact Phone Number:** 317-745-0366

**Views of Responsible Official:** We concur with the findings. Prepaid food account set up in September 2015.

**Description of Corrective Action Plan:**

Prepaid money is kept in a separate account from sales, reimbursements, and money that has been spent. At the end of each month, the monthly sales are transferred into the food service (0800) account from the prepaid account (8400). Federal meal reimbursements automatically go into the food service account (0800). We also have a report that tells us the amount of prepaid money in all accounts at any given time.

**Anticipated Completion Date:**

July 2016

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(Signature)

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

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DANVILLE COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2018, with Kim Baker, Treasurer; Tom Johnson, Assistant Superintendent of Financial Services; Dr. Michael C. Beatty, President of the School Board; and Dr. Tracey Shafer, Superintendent of Schools.