

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION

PERRY COUNTY, INDIANA

July 1, 2015 to June 30, 2017



**FILED**  
05/30/2018



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Federal Findings:	
Finding 2017-001	
Special Education_ Grants to States - Procurement and Suspension and Debarment .....	4-5
Finding 2017-002	
School Breakfast Program and National School Lunch Program - Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) .....	6-7
Finding 2017-003	
School Breakfast Program and National School Lunch Program - Eligibility.....	8-10
Finding 2017-004	
Child Nutrition Cluster - Procurement and Suspension and Debarment .....	10-13
Finding 2017-005	
Child Nutrition Cluster - Reporting .....	13-14
Corrective Action Plan.....	15-19
Exit Conference.....	20

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra A. Elder	07-01-15 to 06-30-18
Superintendent of Schools	John A. Scioldo	07-01-15 to 06-30-18
President of the School Board	Larry K. Kleeman Rick M. May Sherri K. Flynn	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE TELL CITY-TROY TOWNSHIP  
SCHOOL CORPORATION, PERRY COUNTY, INDIANA

This report is supplemental to our audit report of the Tell City-Troy Township 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/](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 30, 2018

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS

***FINDING 2017-001***

Subject: Special Education\_Grants to States - Procurement and Suspension and Debarment  
Federal Agency: Department of Education  
Federal Program: Special Education\_Grants to States  
CFDA Number: 84.027  
Federal Award Numbers and Years (or Other Identifying Numbers): 14214011PN01, 14215011PN01,  
14216009PN01  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

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

*Condition*

The School Corporation was a member of the Exceptional Children's Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the Special Education Grant funds.

Management of the Cooperative had not established 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 Cooperative's Director signed the Application and Assurance Plan as a Condition of Federal Assistance, which stated that the Cooperative would check the subcontractors to make sure they were not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency, or political subdivision of the State of Indiana. However, the Cooperative did not have procedures in place to verify that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction with them. The School Corporation did not monitor the Cooperative to ensure compliance with the Procurement and Suspension and Debarment compliance requirement.

*Context*

During the 2015-2016 school year, there were two covered transactions entered into that exceeded \$25,000. The Cooperative did not verify that the vendors were not suspended or debarred prior to entering into a covered transaction.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

(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). . . ."

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 of the School Corporation had not developed a system of internal controls that would have ensured that the Cooperative complied with the grant agreement and 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 or 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 develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment requirement listed above.

*Views of Responsible Officials*

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2017-002***

Subject: School Breakfast Program and National School Lunch Program - 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 2015/16, FY 2016/17  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-002 and 2015-007.

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

There was no segregation of duties documented, such as an oversight, review, or approval process, or other compensating control over the verifications performed during the audit period.

The School Food Authority (SFA) Verification Collection Report (Verification Summary) for the 2015-2016 school year indicated that 19 applications were verified; however, information was not available to support the total number of applications that were reported on the Verification Summary in order to determine whether the correct number of applications were selected for verification. In addition, the cafeteria software could not be accessed and the Applications for Free or Reduced Price School Meals were not able to be reviewed in order to verify the original eligibility determination that had been made.

*Context*

Internal controls were not in place during the entire audit period. Verification testing could not be performed for the 2015-2016 school year.

*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). . . ."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

7 CFR 210.15(b) states in part:

"*Recordkeeping summary.* In order to participate in the Program, a school food authority or a school, as applicable, must maintain records to demonstrate compliance with Program requirements. These records include but are not limited to: . . .

- (4) Currently approved and denied certification documentation for free and reduced price lunches and a description of the verification activities, including verified applications, and any accompanying source documentation in accordance with 7 CFR 245.6a of this Title; . . ."

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:  
. . .

- (14) Retain documentation of free or reduced price eligibility as follows:
  - (i) Maintain files of currently approved and denied free and reduced price applications which must be readily retrievable by school for a period of three years after the end of the fiscal year to which they pertain; or
  - (ii) Maintain files with the names of children currently approved for free meals through direct certification with the supporting documentation, as specified in § 245.6(b)(4) of this chapter, which must be readily retrievable by school. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit.

*Effect*

The failure to establish controls that would have ensured that records were retained and available for audit prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would have ensured that records were retained and available for audit.

*Views of Responsible Officials*

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2017-003***

Subject: School Breakfast Program and National School Lunch Program - Eligibility  
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 2015/16, FY 2016/17  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Eligibility  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-002 and 2015-004.

*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 compliance requirement.

The School Corporation participated in the school food service program and based students' eligibility status on the information recorded in the cafeteria software. The School Corporation relied on the eligibility designations within the software as administered. The School Corporation was unable to access information in the cafeteria software for the 2015-2016 school year. In addition, there were no hard copies of the Applications for Free or Reduced Price School Meals maintained for audit. Therefore, eligibility testing could not be performed for 2015-2016 school year.

The School Corporation did not publicly announce all the criteria for determining the eligibility of children for free and reduced price meals for either year of the audit period.

*Context*

Eligibility testing could not be performed for the 2015-2016 school year. The criteria for determining the eligibility of children to receive free and reduced price meals was not publicly announced for either year of the audit period.

*Criteria*

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.  
..."

TELL CITY-TROY TOWNSHIP 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 210.23(c) states:

"*Retention of records.* State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

7 CFR 220.7(e) states in part:

". . . the School Food Authority shall, with respect to participating schools under its jurisdiction:  
. . .

- (13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

7 CFR 245.5(a) states in part:

"After the State agency, or FNSRO where applicable, notifies the local educational agency (as defined in § 245.2) that its criteria for determining the eligibility of children for free and reduced price meals and for free milk have been approved, the local educational agency (as defined in § 245.2) shall publicly announce such criteria: . . . The public announcement of such criteria, as a minimum, shall include the following:

- (1) Except as provided in § 245.6(b), a letter or notice and application distributed on or about the beginning of each school year, to the parents of all children in attendance at school. . . .
- (2) On or about the beginning of each school year, a public release, containing the same information supplied to parents, and including both free and reduced price eligibility criteria shall be provided to the informational media, the local unemployment office, and to any major employers contemplating large layoffs in the area from which the school draws its attendance."

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that records were retained and available for audit and that eligibility criteria to receive free and reduced price meals were publicly announced.

*Effect*

The failure to establish controls that would have ensured records were retained and available for audit prevented the determination of the School Corporation's compliance with Eligibility requirements for the 2015-2016 school year. The failure to establish adequate controls also prevented all required eligibility criteria from being publicly announced.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls that would have ensured that records were retained and available for audit and that all eligibility criteria to receive free and reduced price meals were publicly announced.

*Views of Responsible Officials*

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

**FINDING 2017-004**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015/16, FY 2016/17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding numbers were 2015-002 and 2015-005.

*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 Procurement and Suspension and Debarment compliance requirement.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

The School Corporation solicited bids for the purchase of bread and dairy products for the school food service program for each school year. The School Board accepted and awarded the bids during public meetings, but no agreements were signed with the successful vendor. The School Corporation did not verify that the vendor was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to awarding the bid.

The School Corporation purchased food and supply items from one vendor with total purchases of \$76,825 during the 2015-2016 school year and \$73,152 during the 2016-2017 school year without soliciting quotes.

The School Corporation purchased food and supply items from one vendor with total purchase of \$294,729 during the 2015-2016 school year and \$295,846 during the 2016-2017 school year without soliciting bids.

*Context*

The internal controls and compliance issues were systemic problems throughout 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). . . ."

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement. . . ."

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
  - (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
- (2) If sealed bids are used, the following requirements apply:
- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
  - (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
  - (iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
  - (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
  - (v) Any or all bids may be rejected if there is a sound documented reason. . . ."

2 CFR 200.318(i) states:

"The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Effect*

The failure to establish controls enabled material noncompliance to occur. Noncompliance with 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 establish controls to ensure compliance and comply with the Procurement and Suspension and Debarment requirements.

*Views of Responsible Officials*

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

**FINDING 2017-005**

Subject: Child Nutrition Cluster - Reporting

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,  
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015/16, FY 2016/17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately 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 Extracurricular Accounts Manager had sole responsibility for preparing and submitting the monthly Sponsor Claims (claims for reimbursement), the Annual Financial Report, and the School Food Authority (SFA) Verification Collection Reports with no evidence of an independent oversight, review, or approval process to ensure the accuracy of the reports submitted.

*Context*

This was a systemic problem throughout the audit period.

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*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). . . ."

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*

Management had not developed a system of internal controls that segregated key functions.

*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. 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 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.

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellicity.k12.in.us

*"Home of the Marksmen"*

Administrative Office  
837 17th Street  
Tell City, IN 47586  
Phone: (812) 547-3300  
Fax: (812) 547-9704

## CORRECTIVE ACTION PLAN

### **FINDING 2017-001 – SUSPENSION AND DEBARMENT**

Contact Person Responsible for Corrective Action: John A. Scioldo  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period. As a member of the Board of the Exceptional Children's Co-op, the superintendent will ensure that the Exceptional Children's Co-op verifies that vendors are not suspended or debarred from participating in federal assistance programs prior to awarding contracts with them. The superintendent has recently been in contact with the Exceptional Children's Co-op and Sara Harpenau, Financial Manager for the co-op, states she will do vendor verification and have the blank pages (which is what she gets if the vendor has no debarment) for everyone to see during the budget process. This is documented in the corrective action plan submitted by the co-op following their last audit.

Anticipated Completion Date: Immediate



Superintendent

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

April 18, 2018

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

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellcity.k12.in.us

*"Home of the Marksmen"*

Administrative Office  
837 17th Street  
Tell City, IN 47586  
Phone: (812) 547-3300  
Fax: (812) 547-9704

## CORRECTIVE ACTION PLAN

### **FINDING 2017-002 – SCHOOL BREAKFAST PROGRAM AND NATIONAL SCHOOL LUNCH PROGRAM – SPECIAL TESTS AND PROVISIONS – VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS (NSLP)**

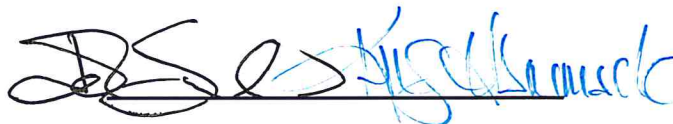
Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period. Specifically, applications for the 2015/16 school year had not been printed due to online access no longer being available. The school corporation was not aware that the applications needed to be retained until being informed during the immediate prior audit period that concluded in July 2017. However, since the prior audit finding, the applications for the 2016/17 school year have been retained and were available for audit review during the audit period ending June 30, 2017.

Going forward, the corporation secretary will be responsible for reviewing the verified free and reduced applications as prepared by the ECA Manager, and at the end of each school year all free and reduced web applications for the given school year will be printed and stored for auditing purposes.

Anticipated Completion Date: Immediate



Superintendent/ECA Manager

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

April 18, 2018

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

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellcity.k12.in.us

*"Home of the Marksmen"*

Administrative Office  
837 17th Street  
Tell City, IN 47586  
Phone: (812) 547-3300  
Fax: (812) 547-9704

## CORRECTIVE ACTION PLAN

### **FINDING 2017-003 – SCHOOL BREAKFAST PROGRAM AND NATIONAL SCHOOL LUNCH PROGRAM - ELIGIBILITY**

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period.

Applications for the 2015/16 school year had not been printed due to online access no longer being available. The school corporation was not aware that the applications needed to be retained until being informed during the immediate prior audit period that concluded in July 2017. However, since the prior audit finding, the applications for the 2016/17 school year have been retained and were available for audit review during the audit period ending June 30, 2017. Going forward, at the end of each school year, all free and reduced web applications for the given school year will be printed and stored for auditing purposes.

In addition, documentation of dual control will be retained with the applications, verifying that at least two personnel were involved in entering the income guidelines for the respective school year in the Harmony software. Also, 15% of all applications will be randomly selected and verified during the verification process to ensure that Harmony software is correctly calculating the information from the online applications in comparison to DOE income guidelines.

Criteria for applying will be announced and be made available by the ECA Manager via parent nights, on the school web site, at a board meeting, or in the local newspaper.

Anticipated Completion Date: Immediate



Superintendent/ECA Manager

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

April 18, 2018  
\_\_\_\_\_

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellcity.k12.in.us

*"Home of the Marksmen"*

Administrative Office  
837 17th Street  
Tell City, IN 47586  
Phone: (812) 547-3300  
Fax: (812) 547-9704

## CORRECTIVE ACTION PLAN

### **FINDING 2017-004 – CHILD NUTRITION CLUSTER - PROCUREMENT AND SUSPENSION AND DEBARMENT**

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period.

Beginning with the 2017/18 school year with bids accepted in the summer of 2017, the superintendent ensured that contracts for successful bread and dairy vendors were signed, and furthermore, verified that the vendors had not been suspended or debarred prior to accepting the bids in the summer of 2017. This process will continue for school years going forward.

Secondly, the school corporation will seek bids for future years on purchases of food and supply items totaling over \$3,500. However, further direction has been sought by the superintendent from the Indiana Department of Education on the exact parameters involving such purchases. Upon detailed direction being received from DOE, the school will implement accordingly.

Anticipated Completion Date: Immediate, upon receiving response from Department of Education



Superintendent/ECA Manager

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

April 18, 2018

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

# Tell City-Troy Township School Corporation

John Anthony Scioldo II  
Superintendent  
john.scioldo@tellicity.k12.in.us

*"Home of the Marksmen"*

Administrative Office  
837 17th Street  
Tell City, IN 47586  
Phone: (812) 547-3300  
Fax: (812) 547-9704

## CORRECTIVE ACTION PLAN

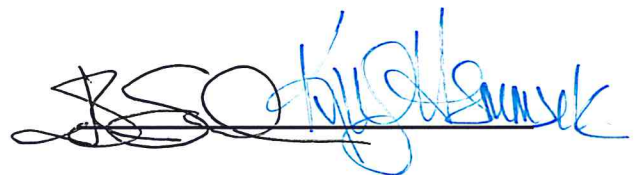
### ***FINDING 2017-005 – CHILD NUTRITION CLUSTER - REPORTING***

Contact Person Responsible for Corrective Action: John A. Scioldo and Kristinia Hammack  
Contact Phone Number: 812-547-3300

Views of the Responsible Official: We concur with the finding.

Description of Corrective Action Plan: This was a repeat finding from the immediate prior audit period. Per past practice, the ECA Manager solely compiled data for the Verification Report, DOE Annual Financial Report, and claim reimbursements. However, another staff member now reviews the data prior to submission to DOE so that dual controls are now in place. This began with the 2017/18 school year.

Anticipated Completion Date: Immediate



Superintendent/ECA Manager

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

April 18, 2018

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

TELL CITY-TROY TOWNSHIP SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on April 30, 2018, with John A. Scioldo, Superintendent of Schools; Debra A. Elder, Treasurer; Gregg R. Jarboe, Secretary of the School Board; Rick M. May, School Board member; and Kristinia Hammack, Extracurricular Accounts Manager.