

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
GREATER JASPER CONSOLIDATED SCHOOLS
DUBOIS COUNTY, INDIANA
July 1, 2015 to June 30, 2017



FILED
06/16/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Monica Young	01-01-15 to 12-31-18
Superintendent of Schools	Dr. Tracy Lorey	07-01-15 to 06-30-18
President of the School Board	Nancy L. Halbing Bernard J. Vogler	01-01-15 to 12-31-16 01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE GREATER JASPER CONSOLIDATED
SCHOOLS, DUBOIS COUNTY, INDIANA

This report is supplemental to our audit report of the Greater Jasper Consolidated Schools (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 and Audit Results and Comments 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 and should be viewed in conjunction with the Audit Result and Comment as described below.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Corrective Action Plan for the Federal Findings and Official Response to the Audit Results and Comments, incorporated within this report, were not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

May 16, 2018

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS

FINDING 2017-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting.

1. Management of the School Corporation had not established an adequate internal control system related to receipts in the extracurricular School Lunch fund.

The Administrative Secretary/Extracurricular Treasurer posted collections from the school cafeterias into the extracurricular ledger using only bank deposit receipts with no supporting documentation attached. The school cafeteria managers ran "Daily Record of Cash Received" (Form AEB SF-2) in each cafeteria. These reports were used to reconcile the cafeteria drawers and to prepare the daily bank deposits. However, these reports were not submitted to the Administrative Secretary/Extracurricular Treasurer as support for the daily deposits posted to the extracurricular account ledger; the school cafeteria managers only supplied a copy of the bank generated deposit slip.

There was no evidence of internal controls to ensure that the cafeteria receipts recorded in the extracurricular accounts ledger were accurate.

2. Management of the School Corporation had not established an adequate internal control system related to financial transactions and reporting activity over the Self Insurance Reserve and Self Insurance funds.

The School Corporation utilized a third-party administrator to administer the Greater Jasper Consolidated Schools Employee Benefit Trust, which consisted of both the Self Insurance Reserve and Self Insurance funds. The third-party administrator provided the School Corporation with a detailed reconciliation worksheet showing the monthly income and expenditures and ending cash balances. The School Corporation used the reconciliation worksheet to enter receipts and disbursements into the Self Insurance Reserve and Self Insurance funds on the financial statement.

There was no evidence of any controls to verify that the information received from the third-party administrator was accurate and to ensure that the disbursements reflected in both the Self Insurance Reserve and Self Insurance funds on the financial statement were accurate.

Context

The lack of internal controls were systemic issues, which occurred throughout the audit period.

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:

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS
(Continued)

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management of the School Corporation had not established a proper system of internal control.

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting.

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: 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): 14215-011-PN01, 14216-009-PN01
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 2015-005.

Condition

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

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS
(Continued)

The Cooperative's Director signed the Application and Assurance Plan as a Condition of Federal Assistance, which stated that the Cooperative will check the subcontractors to make sure they are 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 the vendors.

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

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). . . ."

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 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.

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS
(Continued)

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and 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 requirements listed above.

Views of Responsible Officials

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

FINDING 2017-003

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 Numbers and Years (or Other Identifying Numbers): FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

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

The School Corporation entered into a covered transaction with a food and supply vendor. The total purchases in fiscal year 2017 for food and supplies from the vendor exceeded \$150,000, an amount over the Simplified Acquisition Threshold (greater than \$150,000), for which the Federal Procurement policy required the School Corporation to advertise for bids or Request For Proposals (RFP) prior to purchase. Food and supply purchases were not procured in accordance with the federal policies and procedures.

The School Corporation did not verify that the vendor with whom the School Corporation entered into a covered transaction with, was not suspended or debarred.

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled non-compliance with the Procurement and Suspension and Debarment compliance requirement.

GREATER JASPER CONSOLIDATED SCHOOLS
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 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 200.320 states in part:

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

(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;

(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;

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS
(Continued)

(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 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

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

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and 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 establish controls to ensure 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.

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS
(Continued)

FINDING 2017-004

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 Numbers and Years (or Other Identifying Numbers): FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

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 Program Income compliance requirement.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded. An oversight, review, or approval process had not been established.

In June 2016, the School Corporation established a prepaid account within each school's cafeteria fund to account for money paid in advance by students for meals. The School Corporation attempted to identify the balance of the prepaid funds for each student to begin using the established account as recommended.

When prepaid funds were received from students during the school year, the payments were receipted into each school's Cafeteria Fund, Prepaid Accounts. However, when meals were purchased, the amount that should have been transferred from the prepaid account to the paid meal accounts was incorrectly posted as a negative receipt from the prepaid accounts. Due to the method of recordkeeping, compliance with the Program Income compliance requirement could not be determined for either school year.

Context

This was a systemic issue. The School Corporation's procedures for recording revenues in the School Lunch fund prevented the ability to determine whether the School Corporation was in compliance with the Program Income compliance requirement for the entire 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). . . ."

GREATER JASPER CONSOLIDATED SCHOOLS
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 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. . . ."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured that prepaid receipts and program income receipts were segregated and available for audit.

Effect

The failure to establish effective internal controls that would have ensured that prepaid receipts and program income receipts were segregated and available for audit prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that prepaid receipts and program income receipts were segregated and available for audit related to 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 2017-005

Subject: Child Nutrition Cluster - Reporting
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): FY2016, FY2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-004.

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS
(Continued)

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement.

The Annual Financial Report for the 2016-2017 program year and the School Food Authority (SFA) Verification Collection Reports for the 2015-2016 and 2016-2017 program years were prepared by the School Corporation Administrative Secretary/Extracurricular Treasurer who also submitted the reports on the Indiana Department of Education's website. There was no segregation of duties, such as an oversight, review, or approval process to ensure that the required reports were accurately prepared and submitted.

In addition, supporting documentation was not maintained to verify the accuracy of the information reported on the School Food Authority (SFA) Verification Collection Reports for the 2015-2016 and 2016-2017 program years.

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled noncompliance with the Reporting compliance requirement.

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). . . ."

7 CFR 245.6a(h) states in part:

"*Verification reporting and recordkeeping requirements.* By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . . Local educational agencies shall retain copies of the information reported under this section and all supporting documents for a minimum of 3 years. All verified applications must be readily retrievable on an individual school basis and include all documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official which indicate which documents were submitted by the household and the date of submission. All relevant correspondence between the households selected for verification and the school or local educational agency must be retained. . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

GREATER JASPER CONSOLIDATED SCHOOLS
FEDERAL FINDINGS
(Continued)

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and 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 establish controls, including segregation of duties, to ensure compliance with 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 2017-006

Subject: Child Nutrition Cluster - 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): FY2016, FY2017
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, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

The School Food Authority (SFA) Verification Collection Report for the 2015-2016 and 2016-2017 program years indicated that 13 applications were selected each year for verification; however, information was not available, for either year, to support the total number of applications that were reported on the School Food Authority (SFA) Verification Report in order to determine whether the correct number of applications were selected for verification.

Context

Internal control issues were systemic, occurring throughout the audit period, and enabled noncompliance with the Special Testing and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

GREATER JASPER CONSOLIDATED SCHOOLS
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). . . ."

7 CFR 245.6a(h) states in part:

"*Verification reporting and recordkeeping requirements.* By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . . Local educational agencies shall retain copies of the information reported under this section and all supporting documents for a minimum of 3 years. All verified applications must be readily retrievable on an individual school basis and include all documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official which indicate which documents were submitted by the household and the date of submission. All relevant correspondence between the households selected for verification and the school or local educational agency must be retained. . . ."

Cause

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the Special Test and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and 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 establish controls, including segregation of duties, to ensure compliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirement.

Views of Responsible Officials

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



CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action:

#1 Katie Knies

#2 April Hopf

Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan:

#1 – School Cafeteria Managers will be required to submit “Daily Record of Cash Received” for each cafeteria with their daily bank deposits. This will be an internal control as “Daily Record of Cash Received” must equal the daily bank deposit.

#2—To increase the Internal Controls of the Self-Insurance plan, we requested that we receive monthly statements for all accounts through the plan. We have requested when their audit is complete we receive verification of the findings. These audits include auditing of financial transactions (accounting) and accuracy/appropriations of claims payments in accordance to the plan provisions.

Anticipated Completion Date: May 1, 2018

Katie Knies April Hopf
(Signature)

FSI Secretary
(Title)

4/30/2018 4/30/2018
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Monica Young
Contact Phone Number: 812-482-1801

Views of Responsible Official: Changes were made during the 2016-2017 School Year

Description of Corrective Action Plan: The Exceptional Children's Co-op check with subcontractors to make sure they are not presently debarred, suspended, proposed debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State of Indiana before contracts are signed.

Anticipated Completion Date: This was changed during the 2016-2017 School Year.

Monica Young
(Signature)

Treasurer
(Title)

April 30, 2018
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Katie Knies
Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The School Corporation will comply with the Procurement and Suspension and Debarment compliance requirement.

Anticipated Completion Date: August 9th, 2018

Katie Knies
(Signature)

FSD
(Title)

4/30/2018
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Katie Knies

Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: At the end of the current school year the school corporation will correct the prepaid balance of accounts. Moving forward, the school corporation will match the negative and positive balances to the Sales Activity Report each month to ensure the correct prepaid amount is being transferred.


Anticipated Completion Date: August 9, 2018



(Signature)



(Title)



(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person Responsible for Corrective Action: Katie Knies
Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The new Food Service Director will initiate the Annual Financial Report and the School Food Authority Verification Collection Report. The School Corporation Administrative Secretary will review the reports for accuracy.

Anticipated Completion Date: July 1, 2018

Katie Knies
(Signature)

FSD
(Title)

4/30/2018
(Date)



CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person Responsible for Corrective Action: Katie Knies
Contact Phone Number: 812-482-1801

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The school corporation will contact the cafeteria software's support and ask for reports needed to support Verification Collection Report that is generated by the cafeteria software.

Anticipated Completion Date: October 1, 2018

Katie Knies
(Signature)

FSD
(Title)

4/30/2018
(Date)

GREATER JASPER CONSOLIDATED SCHOOLS
AUDIT RESULT AND COMMENT

PREPAID SCHOOL MEAL ACCOUNTS

In June 2016, the School Corporation established prepaid accounts within the Extracurricular Accounts funds ledger (SA5-3). The individual schools were assigned their own fund number (Jasper High School, fund 81; Jasper Middle School, fund 82; 5th Street Elementary, fund 83; 10th Street Elementary, fund 84; and Ireland Elementary, fund 85) and the prepaid accounts were listed as sub-accounts under each school fund, such as 81-29900.00. The beginning balances for the prepaid sub-accounts were identified by using the detail "List of Patrons With A Positive Balance" and "List of Patrons With A Negative Balance" for May 31, 2016, reports for the student accounts.

The prepaid sub-accounts were utilized throughout the remainder of the audit period; however, the transfer of funds from the prepaid sub-accounts to the paid meal accounts were recorded in the Extracurricular Accounts funds ledger incorrectly as negative receipts. The transfer of funds should have been recorded as disbursements in the prepaid sub-accounts and receipts to the paid meal accounts.

In addition, the cash balance in the prepaid sub-accounts as of June 30, 2017, did not agree to the detailed reports of "List of Patrons With A Positive Balance" and "List of Patrons With a Negative Balance" student account balances maintained by the Food Service Director. The total cash balance in the prepaid sub-accounts as of June 30, 2017, was \$88,086, while the detailed reports of student account balances, as maintained by the Food Service Director, was \$33,751.

When a student puts into their individual meal account, it should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while it is in the student's individual account the balance should not be included in Fund 800 School Lunch. Our recommendation is that you set up a clearing account with the fund number of 8400. Our suggestion is when a student brings in a deposit the receipt would be recorded to fund 8400 using receipt account number 1630. Periodically, after the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 and receipt it into fund 800 using receipt accounts 1611-1623. At this point it is considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis the balance of the 8400 fund should be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, September 2015)

GREATER JASPER CONSOLIDATED SCHOOLS
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The contents of this report were discussed on May 16, 2018, with Monica Young, Treasurer; Dr. Tracy Lorey, Superintendent of Schools; Bernard J. Vogler, President of the School Board; and Ken Schnaus, Vice President of the School Board.