

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

GOSHEN COMMUNITY SCHOOLS

ELKHART COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
06/21/2018



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jerry D. Hawkins	07-01-14 to 08-08-17
	(Vacant)	08-09-17 to 08-13-17
	Kelley D. Kitchen	08-14-17 to 06-30-18
Superintendent of Schools	Dr. Diane B. Woodworth	07-01-14 to 06-30-18
President of the School Board	Jane Troup	01-01-14 to 12-31-14
	Catherine Cripe	01-01-15 to 12-31-16
	Felipe Merino	01-01-17 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF GOSHEN COMMUNITY SCHOOLS, ELKHART COUNTY, INDIANA

This report is supplemental to our audit report of Goshen Community Schools (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 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](http://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 Result and Comment, incorporated within this report, were not verified for accuracy.

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

May 14, 2018

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS

***FINDING 2016-001***

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Condition*

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

1. Payroll Disbursements: The controls in place to determine if payroll and payroll related disbursements were proper were not effective.
  - a. The amount and/or rate of pay for some employees did not agree with an approved document, such as a salary ordinance, employee contract, or Teacher Master Contract.
  - b. Employee time records and/or approved time-off documents were not presented for audit or were not approved by an appropriate official, department head, or principal.
  - c. A review or approval process was not evident prior to payroll disbursements being made.
2. Financial Close and Reporting: The School Corporation had not identified risks to the preparation of a reliable financial statement and, as a result, failed to design effective controls over the input of financial information entered into the Indiana Department of Education Form 9 financial reporting system, which is the source of the Annual Financial Report (AFR) and the financial statement. There were no controls to prevent, or detect and correct, material misstatements. In addition, management of the School Corporation had not established a process for final review of the financial statement and notes to the financial statement after compilation.
3. Monitoring of Controls: The School Corporation had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting would have required the School Corporation to monitor and assess the quality of the system of internal control.

*Context*

The lack of controls and noncompliance were systemic issues that occurred throughout the audit period. The AFR, financial statement, and notes to the financial statement did not properly reflect the School Corporation's financial activity as follows:

*Financial Statement*

1. The General fund beginning balance was understated by \$999,983 for the 2015 fiscal year.
2. The Retirement/Severance Bond Debt Service fund incorrectly reported disbursements of \$329,699 as other financing uses for the 2015 fiscal year.
3. The Textbook Rental Fund receipts were overstated by \$705,631 and \$327,683; disbursements were overstated by \$345,018 and \$327,683 for the 2015 and 2016 fiscal years, respectively.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

4. The Self-Insurance Operations fund, Self-Insurance Stabilization fund, and Self-Insurance Reserves fund were not reported, resulting in an understatement of the beginning balances, receipts, disbursements, and ending balances of \$9,394,155, \$8,196,896, \$8,932,861, and \$8,658,190, respectively, for the 2015 fiscal year. Also, these funds did not report other financing uses, resulting in an understatement of \$8,658,190 for the 2016 fiscal year.
5. The Self-Insurance fund incorrectly reported other financing sources of \$8,658,190 as receipts for the 2016 fiscal year.
6. The Payroll fund did not report receipts, resulting in an understatement of \$57,610,547 and \$60,408,017 for the 2015 and 2016 fiscal years, respectively. The Payroll fund did not report disbursements, resulting in an understatement of \$57,667,610 and \$60,324,237 for the 2015 and 2016 fiscal years, respectively. Lastly, the Payroll fund beginning balance was understated \$96,207 for the 2016 fiscal year.
7. The Prepaid Food fund did not report receipts, resulting in an understatement of \$248,192 and \$1,062,162 for the 2015 and 2016 fiscal years, respectively. The Prepaid Food fund did not report disbursements; an understatement of \$1,299 and \$1,610,165 for the 2015 and 2016 fiscal years, respectively. Lastly, the Prepaid Food fund beginning balance was understated by \$528,866 for the 2016 fiscal year.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement.

*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.

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. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

*Cause*

Management of the School Corporation had not established a proper system of internal control. Additionally, management had not conducted a risk assessment related to the School Corporation's financial transactions and reporting.

*Effect*

The failure to establish controls enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not have been either designed properly or operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*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 2016-002**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-002.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Condition*

The School Corporation had not established or implemented an effective system of internal controls to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA. One employee prepared and submitted the grant information without an oversight or review process to detect and correct errors before submission.

*Context*

The lack of internal controls was a systemic issue throughout the audit period. The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster reported the incorrect Federal Grantor Agency, no Cluster Title, incorrect Program Titles, and incorrect Pass-Through Entity.
  - a. The School Breakfast Program expenditures were understated by \$97,139 and overstated by \$590,781 for the 2015 and 2016 fiscal years, respectively.
  - b. The National School Lunch Program expenditures were understated by \$613,999 and \$358,176, which included missing commodities of \$292,674 and \$341,815 for the 2015 and 2016 fiscal years, respectively.
2. The Fresh Fruit and Vegetable Program was not reported, resulting in an understatement of \$24,407 and \$3,776 for the 2015 and 2016 fiscal years, respectively.
3. The Title I Grants to Local Educational Agencies reported the incorrect Program Title and CFDA Number, and was understated by \$5,000 for the 2016 fiscal year.
4. The Special Education Cluster (IDEA) reported the incorrect Program Titles and did not include the Technical Assistant Grant in the cluster due to the incorrect CFDA Number.
  - a. The Special Education Grants to States were overstated by \$3,413,572 and \$3,562,199 for the 2015 and 2016 fiscal years, respectively.
  - b. The Special Education Preschool Grants were overstated by \$189,600 and \$131,235 for the 2015 and 2016 fiscal years, respectively.
5. The Advanced Placement Program was not reported, resulting in an understatement of \$13,430 for the 2016 fiscal year.
6. The English Language Acquisition State Grants reported incorrect Program Title and CFDA Number and did not report the 2012-14 grant, resulting in an understatement of \$3,034.
7. The Improving Teacher Quality State Grants reported the incorrect Program Title.
8. The Teacher Incentive Fund reported incorrect Program Title and CFDA Number, and was understated by \$240,000 for the 2016 fiscal year.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

9. The School Improvement Grants reported the incorrect Program Title.
10. The Medicaid Reimbursement Fund should not have been reported; an overstatement of \$233,510 and \$278,510 for the 2015 and 2016 fiscal years, respectively.

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.

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. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes:

- Accurate and timely recording of transactions. . . ."

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.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (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*

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

*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 2016-003**

Subject: Financial Transactions and Reporting - Elkhart County Special Education Cooperative (ECSEC)  
Audit Findings: Material Weakness, Noncompliance

*Condition*

An effective internal control system was not in place at the School Corporation related to financial transactions and reporting - other financing sources and uses. Six member school corporations (members) formed a separate legal entity, the Elkhart County Special Education Cooperative (ECSEC), in 2003 under the provisions of the Interlocal Cooperation Act. The ECSEC's Board of Directors, made up of the members Superintendents of Schools, had the authority to establish any programs or services, prepare an annual budget for any program or service, and charge for any program or service provided to the members. The ECSEC operated out of the School Corporation's books, which made the School Corporation the fiscal agent of ECSEC for the members participating in the federal programs included in the Special Education Cluster (IDEA).

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

The ECSEC sent the members a bill of all charges for services provided, which could have included credits, because the members allowed the ECSEC to request some of their Special Education Cluster (IDEA) funds on their behalf. The School Corporation received all the Special Education Cluster (IDEA) funds for the members, including the funds that the ECSEC requested on the members behalf and posted them to the School Corporation's ledger in Spec Ed Part B funds. The School Corporation then issued checks to the members for their requested funds, but did not issue checks to the ECSEC or transfer funds to the appropriate ECSEC funds on the School Corporation's ledger. As a result, the requested funds that belonged to the ECSEC were comingled with the Special Ed Part B fund transactions that benefited solely the School Corporation and not the other remaining members. The amount of funds the ECSEC requested, but did not receive in fiscal years 2015 and 2016, were \$345,319 and \$247,449, respectively.

*Context*

The lack of controls and incomplete and inaccurate recording and reporting of transactions 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:

"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. . . ."

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

*Cause*

The School Corporation had not established an effective internal control structure that would have ensured compliance with the agreement that established the ECSEC. Additionally, an effective internal control structure had not been established to ensure proper posting of receipts and disbursements for billed charges for services provided and received.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Without a proper system of internal control in place that operated effectively, misstatements of the financial statement remained undetected. The financial statement contained the errors identified in the *Condition*.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish and document effective controls to ensure the accuracy of 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 2016-004**

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - School Food Accounts

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 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - School Food Accounts

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - School Food Accounts

*Activities Allowed or Unallowed, Allowable Costs/Cost Principles*

The employees that were paid from the grant funds did not have time sheets that were approved by an appropriate level of management. Furthermore, a review or approval process was not evident prior to payroll disbursements being made.

*Cash Management, Special Tests and Provisions - School Food Accounts*

The School Corporation had not established documented controls to ensure the activity within the School Lunch fund and its net cash resources were being monitored to comply with the Cash Management and Special Tests and Provisions - School Food Accounts.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Eligibility*

There was no oversight, review, or approval process completed at the School Corporation to ensure the accuracy of federal rates entered into the food service program software. Applications were reviewed to determine whether the approver properly determined eligibility; however, there was no prescribed method established by the School Corporation to determine the applications to be selected for review.

*Reporting*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the monthly Sponsor Claims (claims for reimbursement), Annual Financial Reports, and School Food Authority (SFA) Verification Collection Reports were accurate prior to submission. One person prepared and submitted these reports. There was no segregation of duties, such as an oversight, review, or approval process.

*Special Tests and Provisions: Verification of Free and Reduced Price Applications (NSLP)*

Verification of Free and Reduced Price Applications (NSLP) was reviewed by two individuals; however, there was no documentation to verify that there was a control in place.

*Context*

The lack of controls was a systemic issue. There was no documented controls over the compliance requirements noted in the *Condition* throughout 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). . . ."

*Cause*

The School Corporation had not developed a system of internal controls that segregated key functions.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements 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 compliance 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 2016-005**

Subject: Child Nutrition Cluster - Equipment and Real Property Management  
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 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Other Matters

*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 Equipment and Real Property Management compliance requirement.

The School Corporation failed to comply with the equipment requirement that property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds the title, the acquisition date, the cost of the property, percentage of federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

*Context*

The School Corporation had not maintained capital asset records for the Child Nutrition Cluster. The lack of controls and the noncompliance were systemic issues, which occurred throughout the audit period.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*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 3016.32(d) states:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, at a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

2 CFR 200.313(d) states:

"*Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return."

*Cause*

The School Corporation had not developed a system of internal controls that segregated key functions.

*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 related to the grant agreement and the Equipment and Real Property Management compliance requirement.

*Views of Responsible Officials*

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

GOSHEN COMMUNITY SCHOOLS  
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,  
Summer Food Service Program for Children  
CFDA Numbers: 10.553, 10.555, 10.559  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Program Income  
Audit Findings: Material Weakness, Other Matters

*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 receipted into the School Lunch fund was reconciled to the food service program. Of the four months selected for testing during the audit period, daily deposits entered into the ledger were greater than the daily sales reports generated from the food service program software.

*Context*

The lack of controls and noncompliance was a systemic problem, which occurred throughout 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). . . ."

GOSHEN COMMUNITY 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. . . ."

7 CFR 225.6(e) states in part:

*"State-Sponsor Agreement.* A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

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

*Cause*

The School Corporation had not developed a system of internal controls that segregated key functions.

*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 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.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-007***

Subject: Special Education Cluster (IDEA) - Activities Allowed or Unallowed

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-016-PN01, 14215-016-PN01,  
14216-014-PN01, 99914-016-TA01,  
45714-016-PN01, 45715-016-PN01,  
45716-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Activities Allowed or Unallowed

Audit Findings: Material Weakness, Modified Opinion

*Condition*

The Elkhart County Special Education Cooperative (ECSEC) was a public school program serving approximately 3,400 students with disabilities 3-22 years old in Elkhart County. The School Corporation was the administrator of the ECSEC. An effective internal control system was not in place at the School Corporation and at the ECSEC in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed compliance requirement. There were no controls in place to ensure that expenditures charged to the grant were adequately documented to show compliance over the Activities Allowed or Unallowed compliance requirement.

The ECSEC provided special education services to its participating member school corporations (members) and billed them from expenditures paid within the ECSEC funds during the audit period. The ECSEC gave its members credits on their bills for amounts the members were awarded from the budgeted grant category, *Services from Another Educational Agency*. Members did not directly request reimbursement for *Services from Another Educational Agency*, but rather, the ECSEC requested reimbursement on the member's behalf for special education services provided under other categories such as *Certified Salaries, Non-Certified Salaries, Employee Benefits, Purchased/Contracted Services, Conference/Travel, Materials/Supplies, and Buildings*. The ECSEC did not provide any documentation to support the allocation charged to the grant for members' credits in order to test the population for Activities Allowed or Unallowed. Total allocations charged to Special Education Grants to States by the ECSEC for member's credits for school years ending June 30, 2015 and 2016, were \$345,319 and \$247,449, respectively.

The funds requested by the ECSEC for members were receipted in the Spec Ed Part B funds and never transferred into the appropriate ECSEC fund. As a result, the requested funds that belonged to the ECSEC were commingled with the Special Ed Part B fund transactions that benefited solely the School Corporation and not the other remaining members. Audit procedures over Special Ed Part B fund transactions revealed a lack of a review or approval process over payroll disbursements; however, sampled transactions as a whole, were made in compliance with Activities Allowed or Unallowed.

*Context*

The lack of controls and noncompliance were systematic issues, which occurred throughout the audit period. Additionally, adequate documentation did not support ECSEC expenditures allocated to the grant for members' credits and the comingling of Special Ed Part B funds and expenditures identified in the *Condition*.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*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). . . ."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

34 CFR 80.20 states in part:

"(a) A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. . . ."

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following  
...

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

*Cause*

The School Corporation and the ECSEC had not established an effective internal control structure that would have ensured compliance with the grant agreement and the Activities Allowed or Unallowed compliance requirement. Additionally, an effective internal control structure had not been established to ensure adequate documentation over the ECSEC expenditures allocated to the grant for members' credits, and the comingling of Special Ed Part B funds and expenditures identified in the *Condition*.

*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 and to the ECSEC. Additionally, the failure to maintain adequate documentation over the ECSEC expenditures allocated to the grant for members' credits and the comingling of Special Ed Part B funds prevented the determination of the School Corporation's compliance relating to Activities Allowed and Unallowed and expenditures identified in the *Condition*.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Activities Allowed or Unallowed compliance requirement. Additionally, we recommended that management of the School Corporation and the ECSEC establish controls to ensure adequate supporting documentation will be maintained.

*Views of Responsible Officials*

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

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-008***

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-016-PN01, 14215-016-PN01,  
14216-014-PN01, 99914-016-TA01,  
45714-016-PN01, 45715-016-PN01,  
45716-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-003.

*Condition*

The Elkhart County Special Education Cooperative (ECSEC) was a public school program serving approximately 3,400 students with disabilities 3-22 years old in Elkhart County. The School Corporation was the administrator of the ECSEC. An effective internal control system was not in place at the School Corporation and at the ECSEC in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Expenditures made by the School Corporation out of Special Ed Part B funds for salaries and benefits charged to the Special Education Cluster (IDEA) were paid without adequate documentation to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. Personnel Activity Reports or other documentation of personnel expenses for employees who worked on multiple activities or cost objectives during the audit period were not completed or presented. Also, Semi-Annual Certifications or other documentation of personnel expenses for employees whose salaries were paid 100 percent out of the grant funds were not accurate or completed. The following is a list of issues found during our audit:

1. In a test performed on 31 employees, 21 of those transactions were not supported by Personnel Activity Reports or other personnel expense documentation to support the percentage of their pay being charged to the Special Education Cluster (IDEA).
2. For two employees who did complete Personnel Activity Reports or other personnel expense documentation, only 12 out of 20 Personnel Activity Reports or other personnel expense documentation were signed by a supervisor.
3. The School Corporation maintained a listing of employees who were to be paid from the Special Ed Part B funds. The School Corporation paid two employees from the Special Ed Part B funds who were not on that list.
4. The School Corporation did not maintain personnel expense documentation to support substitutes' pay that was charged to the Special Education Cluster (IDEA).

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FEDERAL FINDINGS  
(Continued)

Furthermore, the ECSEC provided special education services to its participating member school corporations (members) and billed them from expenditures paid within the ECSEC funds during the audit period. The ECSEC gave its members credits on their bills for amounts the members were awarded from the budgeted grant category, *Services from Another Educational Agency*. Members did not directly request reimbursement for *Services from Another Educational Agency*, but rather, the ECSEC requested reimbursement on the member's behalf for special education services provided under other categories such as *Certified Salaries, Non-Certified Salaries, Employee Benefits, Purchased/Contracted Services, Conference/Travel, Materials/Supplies, and Buildings*. The ECSEC did not provide any documentation to support the allocation charged to the grant for members' credits in order to test the population for Allowable Costs/Cost Principles. Total allocations charged to Special Education Grants to States by the ECSEC for member's credits for school years ending June 30, 2015 and 2016, were \$345,319 and \$247,449, respectively.

The funds requested by the ECSEC for members were receipted in the Spec Ed Part B funds and never transferred into the appropriate ECSEC fund. As a result, the requested funds that belonged to the ECSEC were commingled with the Special Ed Part B fund transactions that benefited solely the School Corporation and not the other remaining members. Audit procedures over Special Ed Part B fund transactions revealed a lack of a review or approval process over payroll disbursements; however, sampled transactions as a whole, were made in compliance with Allowable Costs/Cost Principles.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period. Additionally, documentation was not provided to support the expenditures identified in the *Condition*.

*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). . . ."

OMB Circular A-87, Attachment A, Part C. states in part:

"(1) Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

(a) Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

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FEDERAL FINDINGS  
(Continued)

(b) Be allocable to Federal awards under the provisions of this Circular. . . .

(j) Be adequately documented. . . ."

OMB Circular A-87, Attachment B, Section 8(h) states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

(a) More than one Federal award,

(b) A Federal award and a non-Federal award, . . .

(5) Personnel activity reports or equivalent documentation must meet the following standards:

(a) They must reflect an after the fact distribution of the actual activity of each employee,

(b) They must account for the total activity for which each employee is compensated,

(c) They must be prepared at least monthly and must coincide with one or more pay periods, and . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

The School Corporation had not established an effective internal control structure that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Additionally, an effective internal control structure had not been established to ensure supporting documentation was maintained relating to Personnel Activity Reports or other documentation of personnel expenses and the expenditures identified in the *Condition*.

*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 and to the ECSEC. Additionally, the failure to maintain supporting documentation prevented the determination of the School Corporation's compliance relating to Personnel Activity Reports and other documentation of personnel expenses and the expenditures identified in the *Condition*.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement. Additionally, we recommended that management of the School Corporation and the ECSEC establish controls to ensure adequate supporting documentation will be maintained.

*Views of Responsible Officials*

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

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-009***

Subject: Special Education Cluster (IDEA) - Cash Management

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-016-PN01, 14215-016-PN01,  
14216-014-PN01, 99914-016-TA01,  
45714-016-PN01, 45715-016-PN01,  
45716-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management

Audit Findings: Material Weakness, Modified Opinion

*Condition*

The Elkhart County Special Education Cooperative (ECSEC) was a public school program serving approximately 3,400 students with disabilities 3-22 years old in Elkhart County. The School Corporation was the administrator of the ECSEC. An effective internal control system was not in place at the School Corporation and at the ECSEC in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

The reimbursement request form prescribed by Indiana Department of Education required dual signatures before submission. Multiple reimbursement requests presented for audit did not have the required dual signatures.

Expenditures charged to the Special Education Cluster (IDEA) were paid without adequate documentation; therefore, it could not be determined whether expenditures were paid prior to the School Corporation and the ECSEC requesting reimbursement.

The ECSEC, who operated out of its own fund on the School Corporation's ledger and provided services to its member school corporations (members) and billed its members for those services, requested special education funds on behalf of its members in exchange for credits on its members' bills. The members budgeted and used the category, *Services from Another Educational Agency*, to account for the activity they wanted to receive from the ECSEC. For instance, the grant award, 14215-016-PN01, the ECSEC requested reimbursement on April 15, 2015, and on September 15, 2015, for the activities, *Certified Salaries* and *Employee Benefits*, but did not provide any supporting documentation for a total of \$214,569 requested. The ECSEC's requested funds were received by the School Corporation and comingled with the School Corporation's Spec Ed Part B funds. The ECSEC did not bill its members for its services until January 8, 2016. The funds the ECSEC requested were never transferred to the appropriate School Corporation fund to reimburse the credits that were given to the ECSEC members.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period. Additionally, documentation was not provided to support requests for reimbursement and that expenditures were made prior to the request, and evidence was not presented to support approval of requests identified in the *Condition*.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*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 section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 74.22 states in part:

"Reimbursement is the preferred method when the requirements in paragraph (b) of this section cannot be met. . . (e)(1) When the reimbursement method is used, the Secretary makes payment within 30 days after receipt of the billing, unless the billing is improper. . . ."

(f). . . Thereafter, the Secretary reimburses the recipient for its actual cash disbursements. . . ."

34 CFR 76.702 states: "A State and a subgrantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds."

34 CFR 76.730 states:

"A State and a subgrantee shall keep records that fully show:

- (a) The amount of funds under the grant or subgrant;
- (b) How the State or subgrantee uses the funds;
- (c) The total cost of the project;
- (d) The share of that cost provided from other sources; and
- (e) Other records to facilitate an effective audit."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Cause*

The School Corporation had not established an effective internal control structure that would have ensured compliance with the grant agreement and the Cash Management compliance requirement. Additionally, an effective internal control structure had not been established to ensure supporting documentation was maintained relating to the reimbursement requests and expenditures identified in the *Condition*.

*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 and to the ECSEC. Additionally, the failure to maintain supporting documentation prevented the determination of the School Corporation's compliance relating to the reimbursement requests and expenditures identified in the *Condition*.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Cash Management compliance requirement. Additionally, we recommended that management of the School Corporation and the ECSEC establish controls to ensure supporting documentation will be maintained.

*Views of Responsible Officials*

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

**FINDING 2016-010**

Subject: Special Education Cluster (IDEA) - Period of Performance

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-016-PN01, 14215-016-PN01,  
14216-014-PN01, 99914-016-TA01,  
45714-016-PN01, 45715-016-PN01,  
45716-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Period of Performance

Audit Findings: Material Weakness, Modified Opinion

*Condition*

The Elkhart County Special Education Cooperative (ECSEC) was a public school program serving approximately 3,400 students with disabilities 3-22 years old in Elkhart County. The School Corporation was the administrator of the ECSEC. An effective internal control system was not in place at the School Corporation and at the ECSEC in order to ensure compliance with requirements related to the grant

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

agreement and the Period of Performance compliance requirement. There were no controls in place to ensure that all expenditures charged to the grant fund were obligated within the Period of Performance. Expenditures charged by the School Corporation and the ECSEC to the Special Education Cluster (IDEA) were paid with either no supporting or adequate documentation to determine if expenditures were within the Period of Performance.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period. Additionally, documentation was not provided to support the expenditures identified in the *Condition*.

*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). . . ."

34 CFR 80.23 states:

"(a) *General.* Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) *Liquidation of obligations.* A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee."

2 CFR 200.343 states in part:

". . . (a) The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

(b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award. . . ."

34 CFR 76.730 states:

"A State and a subgrantee shall keep records that fully show:

- (a) The amount of funds under the grant or subgrant;
- (b) How the State or subgrantee uses the funds;
- (c) The total cost of the project;
- (d) The share of that cost provided from other sources; and
- (e) Other records to facilitate an effective audit."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

*Cause*

The School Corporation had not established an effective internal control structure that would have ensured compliance with the grant agreement and the Period of Performance compliance requirement. Additionally, an effective internal control structure had not been established to ensure supporting documentation was maintained relating to the expenditures identified in the *Condition*.

*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 and to the ECSEC. Additionally, the failure to maintain supporting documentation prevented the determination of the School Corporation's compliance relating to the expenditures identified in the *Condition*.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Period of Performance compliance requirement. Additionally, we recommended that management of the School Corporation and the ECSEC establish controls to ensure supporting documentation will be maintained.

*Views of Responsible Officials*

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

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-011***

Subject: Special Education Cluster (IDEA) - Level of Effort/Maintenance of Effort and Earmarking

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-016-PN01, 14215-016-PN01,  
14216-014-PN01, 99914-016-TA01,  
45714-016-PN01, 45715-016-PN01,  
45716-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

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 level of effort - maintenance of effort (MOE) and Earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement. There were no controls in place to ensure that MOE and Earmarking requirements were fulfilled.

The School Corporation was required to calculate MOE through two calculations prescribed by the Indiana Department of Education. The School Corporation did not provide adequate supporting documentation to verify how they met MOE requirements. The financial information used in the calculation for fiscal year 2014 varied from one grant application year to the next. The child count used for fiscal year 2014 did not agree with the state or School Corporation's records.

The School Corporation did not comply with Earmarking requirements. For grant award, 14216-041-PN01, the School Corporation was allocated a proportionate share of \$48,632 to non-public schools; however, the School Corporation only earmarked \$40,428.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period. Controls were not properly designed to ensure compliance with the MOE and Earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement. In addition, the amounts reported for MOE were not supported by the School Corporation's records.

*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:

GOSHEN COMMUNITY SCHOOLS  
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). . . ."

34 CFR 76.702 states: "A State and a subgrantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds."

34 CFR 80.20 states in part:

"(a) A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. . . ."

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

(b) The financial management system of each non-Federal entity must provide for the following:  
. . .

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.
- (3) 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. . . ."

34 CFR 299.5(a) states:

"*General.* An LEA receiving funds under an applicable program listed in paragraph (b) of this section may receive its full allocation of funds only if the SEA finds that either the combined fiscal effort per student or the aggregate expenditures of State and local funds with respect to the provision of free public education in the LEA for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or the aggregate expenditures for the second preceding fiscal year."

*Cause*

The School Corporation had not established a proper internal control structure that would have ensured compliance with the grant agreement and the MOE and Earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

*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. Additionally, the failure to maintain supporting documentation prevented the determination of the School Corporation's compliance relating to MOE and Earmarking requirements identified in the *Condition*.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement. Additionally, we recommended that management of the School Corporation establish controls to ensure supporting documentation will be maintained.

*Views of Responsible Officials*

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

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-012***

Subject: Special Education Cluster (IDEA) - Reporting

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-016-PN01, 14215-016-PN01,  
14216-014-PN01, 99914-016-TA01,  
45714-016-PN01, 45715-016-PN01,  
45716-014-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Modified Opinion

*Condition*

The Elkhart County Special Education Cooperative (ECSEC) was a public school program serving approximately 3,400 students with disabilities 3-22 years old in Elkhart County. The School Corporation was the administrator of the ECSEC. An effective internal control system was not in place at the School Corporation and at the ECSEC in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement. There were no controls in place to ensure that all expenditures charged to the grant fund were reported correctly.

Reimbursement requests used by the School Corporation to claim expenditures charged to the Special Education Cluster (IDEA) were submitted without an oversight, review, or approval process to ensure they were accurate and without adequate documentation to ensure compliance with the Reporting compliance requirement.

The ECSEC, who requested funds on behalf of its member school corporations (members), did not provide any documentation supporting its reimbursement requests and reimbursement requests were submitted without an oversight, review, or approval process to ensure they were accurate and in compliance with the Reporting compliance requirement. In addition, the ECSEC prepared and submitted the final reports for its members without an oversight, review, or approval process to ensure final reports were accurate and in compliance with the Reporting compliance requirement.

*Context*

The lack of controls and noncompliance were systemic issues which occurred throughout the audit period. Additionally, documentation was not provided to support the reimbursement requests and expenditures identified in the *Condition*.

*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:

GOSHEN COMMUNITY SCHOOLS  
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). . . ."

34 CFR 80.20 states in part:

"(a) A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

*Cause*

The School Corporation had not established a proper internal control structure that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. A lack of segregation of duties within an internal control system 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. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation and to the ECSEC. Additionally, the failure to maintain supporting documentation prevented the determination of the School Corporation's compliance relating to reporting identified in the *Condition*.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Reporting compliance requirement. Additionally, we recommended that management of the School Corporation establish controls to ensure supporting documentation will be maintained.

*Views of Responsible Officials*

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

**FINDING 2016-013**

Subject: English Language Acquisition State Grants - Activities  
Allowed or Unallowed and Cash Management

Federal Agency: Department of Education

Federal Program: English Language Acquisition State Grants

CFDA Number: 84.365

Federal Award Numbers and Years (or Other Identifying Numbers): 01113-318-PN01, 01114-026-PN01,  
01115-023-PN01, 01116-023-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Cash Management

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowable or Unallowed and Cash Management.

*Activities Allowed or Unallowed*

There was no evidence of controls over payroll disbursements to ensure compliance with the requirements of Activities Allowed or Unallowed compliance requirement. A review or approval process was not evident prior to payroll disbursements being made.

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FEDERAL FINDINGS  
(Continued)

*Cash Management*

There was no evidence provided for audit that the person who reviewed and approved the requests used any supporting documentation for four requests for reimbursement. An abstract of the School Corporation's ledger was performed to determine the amounts requested for reimbursement were paid for prior to requesting the funds.

*Context*

The lack of controls were systemic issues, which occurred throughout 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). . . ."

*Cause*

The School Corporation 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 Activities Allowed or Unallowed and Cash Management compliance requirements. Noncompliance with the grant agreement and the compliance requirements could have resulted in the loss of federal funds.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2016-014**

Subject: English Language Acquisition State Grants - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: English Language Acquisition State Grants

CFDA Number: 84.365

Federal Award Numbers and Years (or Other Identifying Numbers): 01113-318-PN01, 01114-026-PN01,  
01115-023-PN01, 01116-023-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

*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 Allowable Costs/Cost Principles compliance requirement.

Adequate Personnel Activity Reports or other personnel expense documentation to support the percentage of pay being charged to the grant was not maintained for 21 of 40 employee payroll transactions tested. Of the 19 employee payroll transactions that did have Personnel Activity Reports or other personnel expense documentation, none indicated approval by a supervisor, and 10 of those employees were paid more from the grant than the Personnel Activity Report or other personnel expense documentation had documented. In addition, there was no evidence of controls over payroll disbursements to ensure compliance with the requirements of Allowable Costs/Cost Principles. A review or approval process was not evident prior to payroll disbursements being made.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout the audit period. Additionally, adequate documentation was not provided to support the expenditures identified in the *Condition*.

*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:

GOSHEN COMMUNITY SCHOOLS  
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). . . ."

OMB Circular A-87, Attachment A, Part C. states in part:

"(1) Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

- (a) Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- (b) Be allocable to Federal awards under the provisions of this Circular.
- (j) Be adequately documented. . . ."

OMB Circular A-87, Attachment B, Section 8(h) states in part:

". . . (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award, . . .

(5) Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after-the-fact distribution of the actual activity of each employee,
- (b) They must account for the total activity for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

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FEDERAL FINDINGS  
(Continued)

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (j) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

The School Corporation had not established an effective internal control structure that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Additionally, an effective internal control structure had not been established to ensure supporting documentation was maintained relating to Personnel Activity Reports or other documentation of personnel expenses and the expenditures identified in the *Condition*.

*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 Allowable Cost/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-015***

Subject: English Language Acquisition State Grants - Period of Performance

Federal Agency: Department of Education

Federal Program: English Language Acquisition State Grants

CFDA Number: 84.365

Federal Award Numbers and Years (or Other Identifying Numbers): 01113-318-PN01, 01114-026-PN01,  
01115-023-PN01, 01116-023-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Period of Performance

Audit Findings: Material Weakness, Other Matters

*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 Period of Performance compliance requirement.

1. The School Corporation charged \$1,176 on November 24, 2014, to grant award 0113-318-PN01 in which the obligation surpassed the period of performance. The School Corporation did correct this error on June 29, 2015; however, this was significantly past the award's end date. In addition, the School Corporation charged \$813 on February 12, 2016, to grant award 0114-026-PN01 for payroll expenses that were obligated after the period of performance.
2. The School Corporation charged payroll expenses to grant award 0116-023-PN01 on August 14, 2015, and August 28, 2015, of \$253 and \$729; respectively, that were incurred prior to the start of the period of performance.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout 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). . . ."

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

34 CFR 80.23 states:

"(a) *General.* Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) *Liquidation of obligations.* A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee."

2 CFR 200.343 states in part:

". . . (a) The non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.

(b) Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-Federal entity must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award."

*Cause*

The School Corporation had not established an effective internal control structure that would have ensured compliance with the grant agreement and the Period of Performance 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 Period of Performance compliance requirement.

*Views of Responsible Officials*

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

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-016***

Subject: English Language Acquisition State Grants - Reporting  
Federal Agency: Department of Education  
Federal Program: English Language Acquisition State Grants  
CFDA Number: 84.365  
Federal Award Numbers and Years (or Other Identifying Numbers): 01113-318-PN01, 01114-026-PN01  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

*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 Indiana Department of Education required Financial End Reports. The School Corporation did not present Financial End Reports for audit.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred throughout 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). . . ."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

34 CFR 80.20 states in part:

"(a) A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to:

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
  - (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.
- (b) The financial management systems of other grantees and subgrantees must meet the following standards:
- (1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
  - (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. . . ."

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

(b) The financial management system of each non-Federal entity must provide for the following:  
. . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.
- (3) 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. . . ."

*Cause*

The School Corporation had not established a proper internal control structure that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

GOSHEN COMMUNITY 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 requirements 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 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 2016-017**

Subject: English Language Acquisition State Grants - Special Tests  
and Provisions - Participation of Private School Children

Federal Agency: Department of Education

Federal Program: English Language Acquisition State Grants

CFDA Number: 84.365

Federal Award Numbers and Years (or Other Identifying Numbers): 01113-318-PN01, 01114-026-PN01,  
01115-023-PN01, 01116-023-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Participation of Private School Children

Audit Findings: Material Weakness, Other Matters

*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 - Participation of Private School Children compliance requirement.

The School Corporation did not provide evidence to support whether they conducted consultations with all private school officials to determine the educational services to be provided to eligible private school children.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period. Additionally, documentation was not provided to support whether consultations were conducted as identified in the *Condition*.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*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 Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

20 USC 7881(c)(1) states in part:

"To ensure timely and meaningful consultation, a State educational agency, local educational agency, educational service agency, consortium of those agencies, or entity shall consult with appropriate private school officials during the design and development of the programs under this chapter, on issues such as—

- (A) how the children's needs will be identified;
- (B) what services will be offered;
- (C) how, where, and by whom the services will be provided;
- (D) how the services will be assessed and how the results of the assessment will be used to improve those services;
- (E) the size and scope of the equitable services to be provided to the eligible private school children, teachers, and other educational personnel and the amount of funds available for those services; and
- (F) how and when the agency, consortium, or entity will make decisions about the delivery of services, including a thorough consideration and analysis of the views of the private school officials on the provision of contract services through potential third-party providers. . . ."

Laws and Guidance Elementary and Secondary Education, Section 9501 states in part:

"(a)(1) . . . Except as otherwise provided in this Act, to the extent consistent with the number of eligible children in areas served by a State educational agency, local educational agency, educational service agency, consortium of those agencies, or another entity receiving financial assistance under a program specified in subsection (b), who are enrolled in private elementary

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

schools and secondary schools in areas served by such agency, consortium, or entity, the agency, consortium or entity shall, after timely and meaningful consultation with appropriate private school officials provide to those children and their teachers or other educational personnel, on an equitable basis, special educational services or other benefits that address their needs under the program. . . .

(b) APPLICABILITY-

(1) IN GENERAL - This section applies to programs under -

- (A) subparts 1 and 3 of part B of title I;
- (B) part C of title I;
- (C) part A of title II; to the extent provided in paragraph (3);
- (D) part B of title II;
- (E) part D of title II;
- (F) part A of title III;
- (G) part A of title IV; and
- (H) part B of title IV. . . ."

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 a proper internal control structure that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Participation of Private School Children compliance requirement. Additionally, an effective internal control structure had not been established to ensure supporting documentation was maintained relating to the consultations identified in the *Condition*.

*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. Additionally, the failure to maintain supporting documentation prevented the determination of the School Corporation's compliance relating to Special Tests and Provisions - Participation of Private School Children identified in the *Condition*.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Special Tests and Provisions - Participation of Private School Children compliance requirement. Additionally, we recommended that management of the School Corporation establish controls to ensure supporting documentation will be maintained.

*Views of Responsible Officials*

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

**FINDING 2016-018**

Subject: School Improvement Grants - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Reporting

Federal Agency: Department of Education

Federal Program: School Improvement Grants

CFDA Number: 84.377

Federal Award Numbers and Years (or Other Identifying Numbers): 15-2315, 16-2315

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Reporting

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Reporting.

*Activities Allowed or Unallowed and Allowable Costs/Cost Principles*

There was no evidence of controls over payroll disbursements to ensure compliance with the requirements of Activities Allowed or Unallowed and Allowable Costs/Cost Principles. A review or approval process was not evident prior to payroll disbursements being made.

*Cash Management and Reporting*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that costs were paid prior to reimbursements being requested and that requests for reimbursement and final reports were accurately prepared. One person was responsible for preparing and submitting the requests and reports. There was no evidence of segregation of duties, such as an oversight or approval process, or another compensating control.

*Context*

The lack of oversight was a systemic issue throughout the audit period.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*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). . . ."

*Cause*

The School Corporation 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 Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, and Reporting compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*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 compliance 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.

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-019***

Subject: School Improvement Grants - Suspension and Debarment  
Federal Agency: Department of Education  
Federal Program: School Improvement Grants  
CFDA Number: 84.377  
Federal Award Numbers and Years (or Other Identifying Number): 15-2315, 16-2315  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*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 Suspension and Debarment compliance requirement.

There was no evidence provided for audit to ensure that vendors were neither suspended nor debarred.

*Context*

There were contracts with a vendor for both school years that exceeded \$25,000, none of which had evidence that anyone at the School Corporation verified the vendor was neither suspended nor debarred.

*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:

GOSHEN COMMUNITY SCHOOLS  
FEDERAL FINDINGS  
(Continued)

- (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 had not established an effective internal control structure that would have ensured compliance with the grant agreement and the 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 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.



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Health Services  
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Mrs. Susan Stiffney

May 4, 2018

## CORRECTIVE ACTION PLAN

### ***FINDING 2016-001 Financial Transactions and Reporting***

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance  
Contact Phone Number: 574-533-8631

Views of Responsible Official: During the audit period, the financial software system was replaced and adequate training and internal controls were not implemented. Goshen Community Schools (GCS) concurs with the finding.

#### Description of Corrective Action Plan:

##### Payroll Disbursements:

Initial hires for both certified and non-certified employees are approved by the Board of Trustees according to an adopted salary schedule, employee contract, or Teacher Master Contract. Prior to each Board meeting, the Assistant Superintendent of Human Resources and the Executive Director of Finance will proof and authorize all recommendations, personnel wages and personnel changes. The signed/authorized personnel roster will be kept in the finance department. The Executive Director of Finance thru the use of appropriate form (Contract Adjustment) will authorize the Payroll Department to adjust the financial software system.

Time records are created within TimeForce time clock system or the WillSub substitute system. The appropriate supervisor or administrator will approve the electronic records. The system will allow only approved management authorizers to change or adjust time. Training for management on these processes will be developed and completed.

The Director of Finance receives the Deposit report from the Payroll Specialist and approves prior to release at the bank for payment of payroll. All employee benefits are reconciled by the Benefits Specialist and approved the Director of Finance prior to payment.

#### Financial Close and Reporting

The Finance Office has established monthly financial reports that are submitted to the Board of Trustees for approval. Additional electronic reports have been created to verify fund balances to actual expenditures and revenues. Upon the creation of the Form 9, electronic financial report fund transactions will be compared to Form 9 balances. The Assistant Treasurer will process the Form 9. The Director of Finance will approve and sign off on the Form 9. The same processes will occur for every financial statement completed.

***FINDING 2016-001***

**Monitoring of Controls**

A process manual that details instructions and Board policy for all financial transactions for established internal controls will be completed and trained during the Summer of 2018. Monthly documented meetings for Grant, Operations, Human Resources, and Building personnel with the Finance Department occur to review transactions to ensure proper Internal Controls.

**Anticipated Completion Date: June 30, 2018**

**Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018**



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Mrs. Susan Stiffney

May 8, 2018

## CORRECTIVE ACTION PLAN

### **FINDING 2016-002**

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance  
Contact Phone Number: 574-533-8631

Views of Responsible Official: During the audit period, the financial software system was replaced and adequate training and internal controls were not implemented. Goshen Community Schools (GCS) concurs with the finding.

#### Description of Corrective Action Plan:

The Director of Finance/Treasurer has implemented the following to ensure prevention, detection and correction of errors on the schedule of expenditures of Federal Awards (SEFA).

- a. Monthly Reconciliation of Grant Fund in Financial Software to Grant Reimbursement form.
- b. Approval of reimbursement request for grant fund by both Director of Finance and program Director.
- c. Segregation of duties in completion of SEFA with the Assistant Treasurer completing and both the Program Director and Director of Finance approving balances prior to submission.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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Mrs. Susan Stiffney

May 8, 2018

## CORRECTIVE ACTION PLAN

### **FINDING 2016-003**

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance and Wendy Hite, ESCEC Director  
Contact Phone Number: 574-533-8631

Views of Responsible Official: Goshen Community Schools (GCS) concurs with the finding.

#### Description of Corrective Action Plan:

Goshen Community Schools acts as the LEA for the Elkhart County Special Education Cooperative (ECSEC). An estimated bill for the following school year will be sent to each member school in June. Payments will be due quarterly. Credits will not be issued on the bill to the member schools and the member schools will be reimbursed for their entire allocated Special Ed Part B funds. Upon receipt of the allocated reimbursement funds, GCS will issue checks to all member schools. The balance of the co-mingled funds will be redistributed by June 30, 2018.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 8, 2018

## CORRECTIVE ACTION PLAN

### **FINDING 2016-004**

Contact Person Responsible for Corrective Action: Greg Beachey, Director of Food Service and Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: Adequate documentation and approval processes were not in place for employees using time sheets.

Description of Corrective Action Plan: Time records are created within Time Force time clock system. The appropriate supervisor or administrator will approve the electronic records. The system will allow only approved management authorizers to change or adjust time. Training for management on these processes will be developed and completed.

Views of Responsible Official: Documented controls were not in place to ensure compliance for the School Lunch fund balance

Description of Corrective Action Plan: Cafeteria Managers shall reconcile daily to the POS system. Building bookkeepers shall confirm deposit. The Food Service Director (FSD) shall prepare the school lunch balance report for the Asst Treasurer each month. This report will be verified by both parties.

Views of Responsible Official: Federal reimbursement rates were not reviewed after entered into software. No documentation or prescribed method for application review.

Description of Corrective Action Plan: Reimbursement rates are entered by either a technician or the FSD and reviewed and confirmed by the other. This practice was in place for the time of review and continues. A second audit of applications will be completed by an employee other than the original approver. The auditor will review 10% of the applications that are received by the school. The second review will verify that the eligibility income guidelines were followed correctly. The second reviewer will initial and date the actual applications reviewed.

**FINDING 2016-004**

Views of Responsible Official: There was no review process or segregation of duties for Monthly Sponsor Claims, Annual Financial Reports or Verification Collection Reports prior to submission.

Description of Corrective Action Plan: The FSD will prepare the monthly claims, Annual Financial Report, and Verification Collection Reports and submit to the Asst Treasurer or other Finance Dept. staff for review before submission to the State.

Views of Responsible Official: There was no documentation of the review process for Verification of Free and Reduced Applications.

Description of Corrective Action Plan: Documentation of the current review plan shall be included with the verification documents each year.

Anticipated Completion Date: For billings after June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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Mrs. Susan Stiffney

May 8, 2018

## CORRECTIVE ACTION PLAN

### ***FINDING 2016-005***

Contact Person Responsible for Corrective Action: Greg Beachey, Director of Food Service and Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: There were not adequate records of property and equipment.

Description of Corrective Action Plan: All food service equipment will be cataloged and documented in to a searchable database. Bar codes will be attached to all equipment for tracking purposes.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 8, 2018

## CORRECTIVE ACTION PLAN

### **FINDING 2016-006**

Contact Person Responsible for Corrective Action: Greg Beachey, Director of Food Service and Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: An effective internal control system was not in place to reconcile program receipts. GCS concurs with the finding.

Description of Corrective Action Plan: Cafeteria Managers shall reconcile daily to the POS system. The building bookkeepers shall confirm deposit. A separate account will be created specifically for the foodservice deposits from each building. This account will be reconciled monthly by the Finance and Food Service Departments.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 8, 2018

## CORRECTIVE ACTION PLAN

### ***FINDING 2016-007***

Contact Person Responsible for Corrective Action: Wendy Hite, ECSEC Director and Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: Goshen Community Schools (GCS) serves as the LEA for Elkhart County Special Education Cooperative (ECSEC). In this capacity, GCS bills the member schools for special education services rendered. Credits were applied to the billings for services and GCS was reimbursed by requesting reimbursement on the member school's behalf. This procedure did not allow for proper documentation of allocated expenses.

Description of Corrective Action Plan: Goshen Community Schools serving as the LEA for the Elkhart County Special Education Cooperative (ECSEC) will bill all expenses to the member schools. The financial software of GCS will provide the documentation to certify expenses. The member schools will request the entire reimbursement payable to the member school. Credits against federal grant reimbursements will no longer be applied to the billing. By June 30, 2018 all co-mingled funds in the Special Education Part B Fund for both 611 Special Education expenses and Pre-School that belong to member schools will be paid via warrant to the member schools.

Anticipated Completion Date: For billings after June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018

#### *Superintendent*

Dr. Diane B. Woodworth

#### *Assistant Superintendent- Elementary Education*

Dr. Alan Metcalfe

#### *Assistant Superintendent- Secondary Education*

Dr. Steve Hope

#### *Assistant Superintendent- Human Resources & Professional Development*

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Mr. David M. Snyder

*Assistant HR Director &  
Health Services  
Coordinator*  
Mrs. Susan Stiffney

May 8, 2018

## CORRECTIVE ACTION PLAN

### ***FINDING 2016-008***

Contact Person Responsible for Corrective Action: Wendy Hite, ECSEC Director and Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: Adequate documentation was not provided to ensure Allowable Costs/Cost Principles were met for staff paid and other expenses from the Special Education Cluster of Funds.

Description of Corrective Action Plan: All certified employees paid 100% from the Special Education Part B Grant Cluster will complete a semi-annual certification form. Any certified employee paid less than 100% from the Special Education Par B Grant Cluster will keep time and effort logs to be submitted monthly. Wendy Hite, Director of ECSEC, will review and approve certified documentation. All non-certified personnel will clock in and clock out using Time Force at GCS or the approved time system at the member schools. Wendy Hite or designee will approve for bi-weekly payroll. Substitutes employed and paid from the ECSEC funds will be documented through the WillSub system. A complete and accurate list of all personnel paid from ECSEC funds will be compiled by GCS payroll services. Changes can only be made with a completed and approved form (see attachment)

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



# GOSHEN COMMUNITY SCHOOLS

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Goshen Comm. Schools  
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Mrs. Susan Stiffney

May 8, 2018

## CORRECTIVE ACTION PLAN

### **FINDING 2016-009**

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: GCS acting as LEA for ECSEC did not ensure proper documentation prior to filing reimbursement from the Special Education cluster grants

Description of Corrective Action Plan: Requests for reimbursement will not be submitted until the Assistant Treasurer has attached the Accumulated Transaction Report from the financial software system (member schools will provide like documentation). The reimbursement request will require an approval signature from the Executive Director of Finance/Treasurer prior to submittal.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 8, 2018

## CORRECTIVE ACTION PLAN

### **FINDING 2016-010**

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance and Wendy Hite, ECSEC Director

Contact Phone Number: 574-533-8631

Views of Responsible Official: Adequate documentation was not provided to ensure compliance with the grant agreement and Period of Performance for staff paid and other expenses from the Special Education Cluster of Funds.

Description of Corrective Action Plan: Requests for reimbursement will not be submitted until the Assistant Treasurer has attached the Accumulated Transaction Report to verify expenses from the financial software system (member schools will provide like documentation). The Accumulated Transaction report will list the dates and detail of expenditures to allow review by the Program Director to verify compliance with period of performance and grant requirements. The reimbursement request will require an approval signature from the Executive Director of Finance/Treasurer prior to submittal.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 8, 2018

## CORRECTIVE ACTION PLAN

### **FINDING 2016-011**

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance and Wendy Hite, ECSEC Director

Contact Phone Number:

Views of Responsible Official: GCS must provide adequate documentation of the calculation of MOE and the correct expenditures of earmarked funds.

Description of Corrective Action Plan: All expenses will be properly documented in the Financial Software. Data submitted on MOE application will be approved prior to submission by the Director of ECSEC. The earmarked funds will be properly budgeted in the financial software system. Monthly meetings with all personnel will be held and documented by minutes to ensure that communicated data has been vetted and verified.

Anticipated Completion Date: Immediately

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 8, 2018

## CORRECTIVE ACTION PLAN

### ***FINDING 2016-012***

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: Adequate documentation was not provided to ensure proper reporting of expenses from the Special Education Cluster of Funds.

Description of Corrective Action Plan: Requests for reimbursement will not be submitted until the Assistant Treasurer has attached the Accumulated Transaction Report to verify expenses from the financial software system (member schools will provide like documentation). The Accumulated Transaction report will list the dates and detail of expenditures to allow review by the Program Director to verify compliance with period of performance and grant requirements. The reimbursement request will require an approval signature from the Executive Director of Finance/Treasurer prior to submittal.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 8, 2018

## CORRECTIVE ACTION PLAN

### **Finding 2016-013**

**Contact Person Responsible for Corrective Action:** Dolores Pfenning, Director of English Language Learners and Kelley Kitchen, Director of Finance

**Contact Phone Number:** 574-533-8631

**Views of Responsible Official:** During the audit period, the financial software system was replaced, and adequate training and internal controls were not implemented. Goshen Community Schools (GCS) concurs with the finding.

### **Description of Corrective Action:**

#### Activities Allowed or Unallowed

Goshen Community Schools has established comprehensive internal controls whereas, the Director of English Language Learners checks to ensure correct personnel are charged to the appropriate grant; compensation is based on allowable activities; and reimbursement is not requested until activities are completed. Initial hires for both certified and non-certified employees are approved by the Board of Trustees according to an adopted salary schedule, employee contract, or Teacher Master Contract. Prior to each Board meeting, the Assistant Superintendent of Human Resources and the Executive Director of Finance will proof and authorize all recommendations, personnel wages and personnel changes. The signed/authorized personnel roster will be kept in the finance department. The Executive Director of Finance thru the use of appropriate form (Contract Adjustment) will authorize the Payroll Department to adjust the financial software system.

Time records are created within TimeForce time clock system or the WillSub substitute system. The appropriate supervisor or administrator will approve the electronic records. The system will allow only approved management authorizers to change or adjust time. Training for management on these processes will be developed and completed.

The Director of Finance receives the Deposit report from the Payroll Specialist and approves prior to release at the bank for payment of payroll. All employee benefits are reconciled by the Benefits Specialist and approved the Director of Finance prior to payment.

#### Cash Management

Requests for reimbursement will not be submitted until the Assistant Treasurer has attached the Accumulated Transaction Report from the financial software system. The reimbursement request will require an approval signature from the Director of English Language Learners and the Executive Director of Finance/Treasurer prior to submittal.

**2016-013**

**Anticipated Completion Date: June 30, 2018**

**Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018**



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May 8, 2018

## CORRECTIVE ACTION PLAN

### Finding 2016-014

**Contact Person Responsible for Corrective Action:** Dolores Pfenning, Director of English Language Learners

**Contact Phone Number:** 574-533-8631

**Views of Responsible Official:** During the audit period, the financial software system was replaced, and adequate training and internal controls were not implemented. Goshen Community Schools (GCS) concurs with the finding.

**Description of Corrective Action:** Goshen Community Schools has established comprehensive internal controls whereas, the Director of English Language Learners checks to ensure correct personnel are charged to the appropriate grant; compensation is based on allowable activities; and reimbursement is not requested until activities are completed. Initial hires for both certified and non-certified employees are approved by the Board of Trustees according to an adopted salary schedule, employee contract, or Teacher Master Contract. Prior to each Board meeting, the Assistant Superintendent of Human Resources and the Executive Director of Finance will proof and authorize all recommendations, personnel wages and personnel changes. The signed/authorized personnel roster will be kept in the finance department. The Executive Director of Finance thru the use of appropriate form (Contract Adjustment) will authorize the Payroll Department to adjust the financial software system.

Time records are created within TimeForce time clock system or the WillSub substitute system. The appropriate supervisor or administrator will approve the electronic records. The system will allow only approved management authorizers to change or adjust time. Training for management on these processes will be developed and completed.

The Director of Finance receives the Deposit report from the Payroll Specialist and approves prior to release at the bank for payment of payroll. All employee benefits are reconciled by the Benefits Specialist and approved the Director of Finance prior to payment.

Time and Effort Logs will be completed for split funded positions and they will be reviewed monthly by the Program Director. Semi Annual Certification will be completed and also reviewed for accuracy.

**2016-014**

**Anticipated Completion Date: June 30, 2018**

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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Mrs. Susan Stiffney

May 9, 2018

## CORRECTIVE ACTION PLAN

### Finding 2016-015

**Contact Person Responsible for Corrective Action:** Dolores Pfenning, Director of English Language Learners, and Kelley Kitchen, Director of Finance

**Contact Phone Number:** 574-533-8631

**Views of Responsible Official:** During the audit period, the financial software system was replaced, and adequate training and internal controls were not implemented.

**Description of Corrective Action:** Requests for reimbursement will not be submitted until the Assistant Treasurer has attached the Accumulated Transaction Report to verify expenses from the financial software system to ensure expenses are appropriate and occurred within the allowed project period. The reimbursement request will require an approval signature from the Director of English Language Learners and the Executive Director of Finance/Treasurer prior to submittal.

**Anticipated Completion Date:** June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 9, 2018

## CORRECTIVE ACTION PLAN

### Finding 2016-016

**Contact Person Responsible for Corrective Action:** Mary Kay Longacre, Director of Grants and Assessments

**Contact Phone Number:** 574-533-8631

**Views of Responsible Official:** During the audit period, the financial software system was replaced, and adequate training and internal controls were not implemented. Goshen Community Schools (GCS) concurs with the finding.

**Description of Corrective Action:** Goshen Community Schools has established comprehensive internal controls process in which the Director of Grants of Assessments is responsible for completing the online grant tracking spreadsheet to remind appropriate personnel of due dates. Monthly meetings are conducted with all personnel responsible for grant administration to verify due dates and report compliance.

**Anticipated Completion Date:** June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 14, 2018

## CORRECTIVE ACTION PLAN

### ***FINDING 2016-017 Federal Award Findings and Questioned Costs***

Contact Person Responsible for Corrective Action: Kelley Kitchen, Executive Director of Finance

Contact Phone Number: 574-533-8631

Views of Responsible Official: Although timely and meaningful consultation occurred with appropriate private school officials during the design and development of the program, Goshen Community Schools failed to properly document these consultations. Goshen Community Schools (GCS) concurs with the finding.

Description of Corrective Action Plan:

#### Special Tests and Provisions:

All timely and meaningful consultations conducted between Goshen Community Schools and the applicable and appropriate private school officials during the design and development of the programs will be documented with signed minutes of the consultation meetings.

Dual signatures on the minutes will consist of a GCS program director signature and an appropriate official from the private school.

Anticipated Completion Date: June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 9, 2018

## CORRECTIVE ACTION PLAN

### Finding 2016-018

**Contact Person Responsible for Corrective Action:** Mary Kay Longacre, Director of Grants and Assessments and Kelley Kitchen, Executive Director of Finance  
**Contact Phone Number:** 574-533-8631

**Views of Responsible Official:** During the audit period, the financial software system was replaced, and adequate training and internal controls were not implemented. Goshen Community Schools (GCS) concurs with the finding.

### Description of Corrective Action:

#### Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Goshen Community Schools has established comprehensive internal controls whereas, the Director of English Language Learners checks to ensure correct personnel are charged to the appropriate grant; compensation is based on allowable activities; and reimbursement is not requested until activities are completed. Initial hires for both certified and non-certified employees are approved by the Board of Trustees according to an adopted salary schedule, employee contract, or Teacher Master Contract. Prior to each Board meeting, the Assistant Superintendent of Human Resources and the Executive Director of Finance will proof and authorize all recommendations, personnel wages and personnel changes. The signed/authorized personnel roster will be kept in the finance department. The Executive Director of Finance thru the use of appropriate form (Contract Adjustment) will authorize the Payroll Department to adjust the financial software system.

Time records are created within TimeForce time clock system or the WillSub substitute system. The appropriate supervisor or administrator will approve the electronic records. The system will allow only approved management authorizers to change or adjust time. Training for management on these processes will be developed and completed.

The Director of Finance receives the Deposit report from the Payroll Specialist and approves prior to release at the bank for payment of payroll. All employee benefits are reconciled by the Benefits Specialist and approved the Director of Finance prior to payment.

Time and Effort Logs will be completed for split funded positions and they will be reviewed monthly by the Program Director. Semi Annual Certification will be completed and also reviewed for accuracy.

#### Cash Management

Requests for reimbursement will not be submitted until the Assistant Treasurer has attached the Accumulated Transaction Report from the financial software system. The reimbursement request will require an approval signature from the Director of English Language Learners and the Executive Director of Finance/Treasurer prior to submittal.

**Finding 2016-018**

**Anticipated Completion Date: June 30, 2018**

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018



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May 9, 2018

## CORRECTIVE ACTION PLAN

### Finding 2016-019

**Contact Person Responsible for Corrective Action:** Mary Kay Longacre, Director of Grants and Assessments, and Kelley Kitchen, Executive Director of Finance

**Contact Phone Number:** 574-533-8631

**Views of Responsible Official:** During the audit period, the financial software system was replaced, and adequate training and internal controls were not implemented. Goshen Community Schools (GCS) concurs with the finding.

**Description of Corrective Action:** Goshen Community Schools has established comprehensive internal controls process in which the Program Director works with the Director of Finance to establish that the following:

1. Business office is registered with System for Award Management (SAM) and will check all vendors before approving purchases or contracts with grant funds above \$25,000.

**Anticipated Completion Date:** June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018

GOSHEN COMMUNITY SCHOOLS  
AUDIT RESULT AND COMMENT

**TEXTBOOK RENTAL FEES**

The same comment also appeared in the prior report B46023.

The School Corporation charged each student fees for the rental of textbooks and the purchase of various consumable items. Sufficient supporting documentation was not provided for audit to verify that the calculation of those fees was in compliance with statutory requirements.

Indiana Code 20-26-12-2 states:

"(a) A governing body may purchase from a publisher, any curricular material selected by the proper local officials. The governing body may rent the curricular materials to students enrolled in any public or nonpublic school that is:

- (1) in compliance with the minimum certification standards of the state board; and
- (2) located within the attendance unit served by the governing body. The annual rental rate may not exceed twenty-five percent (25%) of the retail price of the curricular materials.

(b) Notwithstanding subsection (a), the governing body may not assess a rental fee of more than twenty-five percent (25%) of the retail price of curricular materials that have been:

- (1) extended for usage by students under section 24(e) of this chapter; and
- (2) paid for through rental fees previously collected."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)



# GOSHEN COMMUNITY SCHOOLS

*“Inspiring Innovation...Empowering Potential...Enriching Our World”*

**Goshen Comm. Schools**  
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*Assistant Superintendent-  
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Dr. Alan Metcalfe

*Assistant Superintendent-  
Secondary Education*  
Dr. Steve Hope

*Assistant Superintendent-  
Human Resources &  
Professional Development*  
Mrs. Tamra Ummel Ed. S.

*Director of Finance*  
Mrs. Kelley Kitchen

\*\*\*\*

*Food Service Director*  
Mr. Greg Beachey

*Facilities Director*  
Mr. Tom Boomershine

*Director of Grants  
& Assessments*  
Mrs. Mary Kay Longacre

*Executive Director of  
Curriculum & Instruction*  
Mrs. Tracey Noe

*EL Director*  
Mrs. Dolores Pfenning

*Transportation  
Coordinator*  
Mrs. Shelly Sharkey

*Technology Director*  
Mr. David M. Snyder

*Assistant HR Director &  
Health Services  
Coordinator*  
Mrs. Susan Stiffney

May 9, 2018

## OFFICIAL'S RESPONSE

### **Audit Comment-Textbook Rental Fees now Curricular Materials Fees**

**Contact Person Responsible for Corrective Action:** Kelley Kitchen, Executive Director of Finance

**Contact Phone Number:** 574-533-8631

**Views of Responsible Official:** The textbook rental program did not have adequate supporting documentation for the purchase of curricular materials and the subsequent fee schedule. Goshen Community Schools concurs with the comment.

### **Description of Corrective Action:**

1. The Curricular Material Fund (formerly TBR) at the building level will only serve as a clearing account for textbook rental payments. The building ECA treasurer will issue monthly payments to Corporation Office of GCS for the balance in the fund.
2. All purchases for curricular materials will be processed through the Corporation Office using Fund 0900. Approved purchases will require completion of the instructional material evaluation rubric. The Accounting Specialist will retain purchase orders, contracts, and invoices related to purchase of curricular materials.
3. All curricular materials fees (formerly TBR) will be calculated by the Director of Finance and submitted to the Board of Trustees for approval.
4. The Board adopted Curricular Materials Fee Schedule will be submitted to the Board Attorney for evaluation of the approved fees.
5. Documentation of Curricular Material Fees charged to individual students will be kept within the student data system. Appropriate receipts will be issued.

**Anticipated Completion Date:** June 30, 2018

Kelley D. Kitchen  
Executive Director of Finance  
May 14, 2018

GOSHEN COMMUNITY SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on May 14, 2018, with Dr. Diane B. Woodworth, Superintendent of Schools; Kelley D. Kitchen, Treasurer; Tonia Immel, Assistant Treasurer; Jessica Wileman, Accounting Specialist; Felipe Merino, President of the School Board; Jane DeVoe, School Board member; Jose Elizalde, School Board member; and Keith Goodman, School Board member.