

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SPENCER-OWEN COMMUNITY SCHOOLS

OWEN COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
06/25/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Darla Thomas	07-01-14 to 06-30-18
Superintendent of Schools	Greg Linton (Vacant) Dr. Carrie Milner (interim) Brock Beeman Dr. Chad S. Briggs	07-01-14 to 09-25-14 09-26-14 to 09-28-14 09-29-14 to 01-22-15 01-23-15 to 02-15-15 02-16-15 to 06-30-18
President of the School Board	Rick Smeltzer Kevin Cooper Rick Smeltzer	01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-18



STATE OF INDIANA
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TO: THE OFFICIALS OF THE SPENCER-OWEN COMMUNITY SCHOOLS, OWEN COUNTY, INDIANA

This report is supplemental to our audit report of the Spencer-Owen 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 that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Findings, identified in the above referenced audit report, are included in this report.

Any Corrective Action Plan for the Federal Findings, incorporated within this report, was not verified for accuracy.

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

May 31, 2018

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS

FINDING 2016-001

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

Repeat Finding

This is a repeat from the immediately prior audit. The prior audit finding number was Finding 2014-001.

Condition

The School Corporation did not have an effective system of internal control in place to prevent, or detect and correct, material errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway), which was the source of the School Corporation's SEFA. One employee prepared the federal award information entered into Gateway without a control process in place to ensure its accuracy before submission.

Context

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were overstated by \$218,586 for fiscal year 2015 and \$138,045 for fiscal year 2016. This included the omission of commodities in fiscal year 2015 totaling \$15,381.
2. The Special Education Cluster (IDEA) was overstated by \$94,720 for fiscal year 2015 and understated \$220,829 for fiscal year 2016 due to reporting disbursements for reimbursement grants instead of receipts.
3. The Medical Assistance Program was understated by \$8,384 for fiscal year 2015 and overstated by \$65,416 for fiscal year 2016.
4. Two of ten program titles were incorrectly reported.

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.

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

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

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

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § __.310. . . ."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls to prevent, or detect and correct, errors on the SEFA.

Views of Responsible Officials

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

FINDING 2016-002

Subject: School Breakfast Program and National School Lunch Program - Internal Controls
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY2014-2015, FY2015-2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Program Income, Reporting, Special
Tests and Provisions - Verification of Free and Reduced
Price Applications (NSLP), Special Tests and Provisions -
Paid Lunch Equity

Audit Finding: Material Weakness

Repeat Finding

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements:

Cash Management

The School Corporation had not designed or implemented adequate controls, policies, or procedures to ensure that the monthly net cash resources of the School Lunch fund did not exceed the three months average expenditures.

Program Income

The School Corporation had not designed or implemented adequate controls, policies, or procedures to ensure that program income was being accurately documented. Reconciliations or reviews of collections were not being prepared to ensure that amounts were accurate.

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

Reporting

The School Corporation had not designed or implemented adequate controls, policies, or procedures to ensure that required reports were accurately prepared. The School Lunch Director prepared and submitted the monthly Sponsor Claims (claims for reimbursement) and the Annual Financial Reports electronically via the Indiana Department of Education website. There was no segregation of duties, such as an oversight, review, or approval process to ensure that the information submitted was complete and accurate.

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

The School Corporation had not designed or implemented adequate controls, policies, or procedures to ensure that free and reduced meal applications were verified. There was no segregation of duties, such as an oversight, review, or an approval process.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the paid lunch equity calculations were correct.

Context

The lack of controls were a systemic issue during the entire audit period for the Cash Management and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements. The lack of controls over Program Income, Reporting, and Special Tests and Provisions - Paid Lunch Equity were a systemic issue isolated to the 2015 school year.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

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

SPENCER-OWEN 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 2016-003

Subject: School Breakfast Program and National School Lunch Program -
Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY2014-2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation was a member school corporation of the Central Indiana Commodity Cooperative (Co-op). The Co-op negotiated vendor contracts for food used to provide meals in the Child Nutrition Cluster for member school corporations. An effective internal control system was not in place at the Co-op in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The Co-op accepted sealed bids and awarded an annual bid for Commodity Pass-Through-Value Products. The procurement was above the Simplified Acquisition Threshold (greater than \$150,000) and the invitation to bid stated this was a sealed bid, but a publisher's affidavit was not presented for audit.

An annual bid for commodities was accepted, but there was no signed contract or notice of award issued to document the accepted bid. Procurement records did not identify a rationale for accepting renewal of a fiscal year 2014 commodity bid for the subsequent fiscal year 2015.

The Co-op solicited bids for the purchase of bread and dairy products for fiscal year 2015; however, no agreements were signed with the successful vendor. Procurement records were not sufficient to determine the results of voting by member school corporations.

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

The Co-op did not verify that the vendors was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to awarding the bid.

Context

Internal control and noncompliance issues were systemic during fiscal year 2015.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 200.320 states in part:

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

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

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

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

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

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

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

(2) If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason. . . ."

2 CRF 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

(a) Checking the SAM Exclusions; or

(b) Collecting a certification from that person; or

(c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that would have ensured that the Co-op complied with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls and implement procedures to monitor the Co-op to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement listed above.

Views of Responsible Officials

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

FINDING 2016-004

Subject: School Breakfast Program and National School Lunch Program - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-2015, FY2015-2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Eligibility
Audit Findings: Material Weakness, Other Matters

Repeat Finding

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

Condition

An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

The fiscal year 2016 Application for Free and Reduced Price School Meals submitted for one School Corporation employee's dependent was approved for reduced benefits based on the reported net pay of the household (both parents were employees of the School Corporation). If gross income had been properly completed, as required, the application would not have meet the standards for any benefits.

Context

The lack of effective internal controls was a systemic issue during the audit period. Noncompliance was isolated to fiscal year 2016.

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. . . ."

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 245.6(c)(4) states:

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

2 CFR 200.207(a) states in part: "The Federal awarding agency or pass-through entity may impose additional specific award conditions as needed . . ."

Indiana Department of Education's parent letter and instructions states in part: ". . . Report all amounts in GROSS INCOME ONLY. . . . Gross income is the total income received before taxes . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Eligibility compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the Eligibility 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 and implement procedures to ensure compliance with the grant agreement and the Eligibility compliance requirement.

Views of Responsible Officials

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

SPENCER-OWEN COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

FINDING 2016-005

Subject: Special Education Cluster (IDEA) - Internal Controls

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): 14213-065-PN01, 14214-065-PN01,
14215-065-PN01, 14216-063-PN01,
45714-065-PN01, 45715-065-PN01,
99914-065-TA01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed; Allowable Costs/Cost Principles;
Cash Management; Matching, Level of Effort, Earmarking; Period
of Performance; Reporting

Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit regarding Cash Management, Reporting, and Period of Performance. The prior audit finding number was 2014-004.

Condition

The School Corporation was a member of the Forest Hills Special Education Cooperative (Cooperative). The Cooperative operated the special education program and managed the special education grant funds.

Management of the Cooperative had not established an effective internal control system related to the grant agreement and the Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Cash Management; Matching, Level of Effort, Earmarking; Period of Performance; and Reporting compliance requirements.

Cash Management, Earmarking, and Reporting

The Cooperative had not designed or implemented adequate policies or procedures to ensure that required reports were accurately prepared. One employee was solely responsible for preparing and submitting all required reports. There was no segregation of duties, such as an oversight, review, or approval process.

Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance

The Cooperative had not designed or implemented adequate policies or procedures to ensure that expenditures were properly charged to the applicable federal grants. Adjustments made to Special Education Cluster (IDEA) programs were not reviewed by someone other than the individual making the adjustments. There was no segregation of duties, such as an oversight, review, or approval process.

Context

The lack of effective controls was a systemic issue during fiscal year 2015.

SPENCER-OWEN 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. . . ."

Cause

Management had not developed a system of internal control 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 compliance requirements listed above.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the 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.

Spencer-Owen Community Schools

205 East Hillside Avenue, Spencer, Indiana 47460 Phone 812-829-2233 Fax 812-829-6614

"All Spencer-Owen Community Schools students will learn, achieve, and succeed."

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Chad Cooper, *Vice President*
Amber Willen, *Secretary*
Larry Hight, *Secretary Pro Tem*
Sonia Brinson
Lew Moke
Jack White

Administration:

Dr. Chad S. Briggs, *Superintendent*
Brock Beeman, *Curriculum Director*

May 31, 2018

Corrective Action Plan

Finding 2016-001

Contact Person Responsible for Correction Action: Dr. Chad Briggs, Superintendent

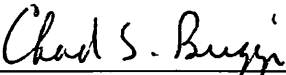
Contract Phone Number 812-829-2233

Views of Responsible Official: Spencer-Owen C.S.C. concurs with finding 2016-001.

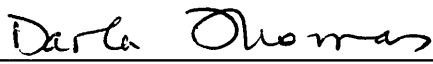
Description of Corrective Action Plan:

When the Schedule of Federal Awards is prepared, the Treasurer will verify fund titles with the Federal Clearing House. The Treasurer will work closely with the Forest Hills Special Education Co-op to ensure accuracy of reporting of the grants handled by their LEA, Richland Bean Blossom C.S.C. The Treasurer and School Lunch Director will locate accurate commodities dollars via the website referred by State Board of Accounts. Once prepared, the Superintendent and curriculum Director will review for accuracy prior to submitting. A copy of the schedule will be printed, signed, and retained for future audits.

Anticipated Completion Date: Correction Action Plan should be fully corrected within the 2017-2018 school year.



Signature



Signature

Superintendent

Title

Treasurer

Title

May 31, 2018

Date

May 31, 2018

Date

Spencer-Owen Community Schools

205 East Hillside Avenue, Spencer, Indiana 47460 Phone 812-829-2233 Fax 812-829-6614

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Chad Cooper, *Vice President*
Amber Willen, *Secretary*
Larry Hight, *Secretary Pro Tem*
Sonia Brinson
Lew Moke
Jack White

Administration:

Dr. Chad S. Briggs, *Superintendent*
Brock Beeman, *Curriculum Director*

May 31, 2018

Corrective Action Plan

Finding 2016-002

Contact Person Responsible for Correction Action: Dr. Chad Briggs, Superintendent
Contract Phone Number 812-829-2233

Views of Responsible Official: Spencer-Owen C.S.C. concurs with finding 2016-002.

Description of Corrective Action Plan:

Cash Management

The food service director will create a spreadsheet including monthly school lunch fund balances. The end of month balance will be recorded monthly on the spreadsheet to ensure the balance doesn't exceed average expenditures for three months.

Program Income

The Technology and Food Service Reporting Assistant will provide a spreadsheet to the Unit Leader of each cafeteria to be completed daily. They will record the actual deposit amount and the total cash recorded in the software system. Both totals should match. They will turn this report in to the Technology and Food Service Reporting Assistant weekly for verification. The spreadsheets will be initialed and dated by all parties.

Reporting

The Technology and Food Service Assistant will prepare the monthly reimbursement and annual report. The School Lunch Director and Treasurer will verify accuracy before the report is submitted to the DOE. Copies of the report will be initialed and dated by all parties.

Special Tests and Provisions – Verification of Free and Reduced Applications

The Technology and Food Service Assistant will complete annual verification of Free/Reduced Applications. The Deputy Treasurer will review a percentage for accuracy. The reports will be initialed and dated.

Special Tests and Provisions – Paid Lunch Equity

The Technology and Food Service Assistant or School Lunch Director will complete the Paid Lunch Equity calculator annually and submit the completed report to the Superintendent for review. We were exempt from this calculation for the 2018-2019 school year.

Anticipated Completion Date: Correction Action Plan should be fully corrected within the 2017-2018 school year.

Chad S. Buzyn
Signature

Olivia M. Weyer
Signature

Superintendent
Title

School Lunch Director
Title

May 31, 2018
Date

May 31, 2018
Date

Spencer-Owen Community Schools

205 East Hillside Avenue, Spencer, Indiana 47460 Phone 812-829-2233 Fax 812-829-6614

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Sonia Brinson
Lew Moke
Jack White

Administration:

Dr. Chad S. Briggs, *Superintendent*
Brock Beeman, *Curriculum Director*

May 31, 2018

Corrective Action Plan

Finding 2016-003

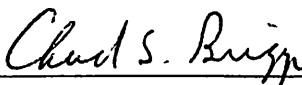
Contact Person Responsible for Correction Action: Dr. Chad Briggs, Superintendent
Contract Phone Number 812-829-2233

Views of Responsible Official: Spencer-Owen C.S.C. concurs with finding 2016-003.

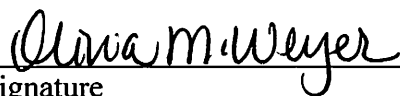
Description of Corrective Action Plan:

As of August 2015, Spencer-Owen Community Schools is no longer a member of the Cooperative. We now contract out the food service.

Anticipated Completion Date: Effective August 2015.



Signature



Signature

Superintendent

Title

School Lunch Director

Title

May 31, 2018

Date

May 31, 2018

Date

Spencer-Owen Community Schools

205 East Hillside Avenue, Spencer, Indiana 47460 Phone 812-829-2233 Fax 812-829-6614

"All Spencer-Owen Community Schools students will learn, achieve, and succeed."

Board Members:

Rick Smeltzer, *President*
Chad Cooper, *Vice President*
Amber Willen, *Secretary*
Larry Hight, *Secretary Pro Tem*
Sonia Brinson
Lew Moke
Jack White

Administration:

Dr. Chad S. Briggs, *Superintendent*
Brock Beeman, *Curriculum Director*

May 31, 2018

Corrective Action Plan

Finding 2016-004

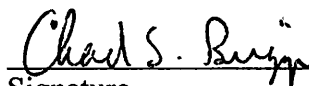
Contact Person Responsible for Correction Action: Dr. Chad Briggs, Superintendent
Contract Phone Number 812-829-2233

Views of Responsible Official: Spencer-Owen C.S.C. concurs with finding 2016-004.

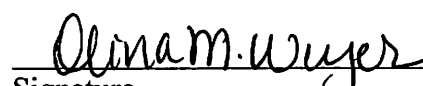
Description of Corrective Action Plan:

The Technology and Food Service Assistant will process applications using the corporation's software system. Upon completion, the Deputy Treasurer or School Lunch Director will review a random selection of applications to check for accuracy. Once reviewed, they will be initialed and dated by the Deputy Treasurer or School Lunch Director verifying that they are correct. This individual is no longer employed with the school corporation.

Anticipated Completion Date: Correction Action Plan should be fully corrected within the 2017-2018 school year.



Signature



Signature

Superintendent

Title

School Lunch Director

Title

May 31, 2018

Date

May 31, 2018

Date

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Administration:

Dr. Chad S. Briggs, *Superintendent*
Brock Beeman, *Curriculum Director*

May 31, 2018

Corrective Action Plan

Finding 2016-005

Contact Person Responsible for Correction Action: Dr. Chad Briggs, Superintendent
Contract Phone Number 812-829-2233

Views of Responsible Official: Spencer-Owen C.S.C. concurs with finding 2016-005.

Description of Corrective Action Plan:

During the 2015-2016 school year, the Forest Hills Special Education Cooperative and LEA Richland Bean Blossom School Corporation began the process of implementing an effective Internal Control system, which included segregation of duties, related to grant agreements, Cash Management, Matching, Level of Effort, Earmarking, Reporting, Activities Allowed and Un-allowed, Allowable Costs/Cost Principles, and Period of Performance compliance requirements. The Director of Special Education or any authorized individual will continue to review and approve any adjustments or reimbursement requests. Monthly reports will continue to be sent to the Special Education Director and Spencer-Owen Community Schools.

Anticipated Completion Date: Correction Action Plan should be fully corrected within the 2017-2018 school year.

Chad S. Briggs
Signature

Darla Thomas
Signature

Superintendent
Title

Treasurer
Title

May 31, 2018
Date

May 31, 2018
Date

SPENCER-OWEN COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on May 31, 2018, with Dr. Chad S. Briggs, Superintendent of Schools; Darla Thomas, Treasurer; Olivia Weyer, Food Service Director; Lew E. Moke, School Board member; and Rick Smeltzer, President of the School Board.