

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION  
CRAWFORD COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
06/28/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tina Key	01-01-14 to 12-31-18
Superintendent of Schools	(Vacant)	07-01-14 to 08-29-14
	Dr. Elmer Shelby (interim)	08-30-14 to 12-31-14
	W. Garry DeRossett	01-01-15 to 01-05-18
	(Vacant)	01-06-18 to 01-07-18
	Michael Key (interim)	01-08-18 to 06-30-18
President of the School Board	Dennis Talley	01-01-14 to 12-31-14
	Traci Kerns	01-01-15 to 12-31-16
	Lance Stroud	01-01-17 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CRAWFORD COUNTY COMMUNITY  
SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

This report is supplemental to our audit report of the Crawford County Community School Corporation (School Corporation), for the period from July 1, 2014 to June 30, 2016. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

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

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

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

June 7, 2018

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS

***FINDING 2016-001***

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

*Repeat Finding*

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

*Condition*

The School Corporation had not established effective internal controls to prevent, or detect and correct, errors in the financial information entered into the Indiana Gateway for Government Units financial reporting system, which was the source for the Schedule of Expenditures of Federal Awards (SEFA).

*Context*

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster, Child and Adult Care Food Program, and Child Nutrition Discretionary Grants Limited Availability were excluded from the SEFA in the amount of \$1,449,735.
2. The Special Education Cluster (IDEA) was understated in the amount of \$347,981.
3. Grant funds in the amount of \$1,416,590 were erroneously reported as being passed through to subrecipients.
4. Several program names were reported incorrectly.

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. . . ."

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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*.

*Recommendation*

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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 2016-002**

Subject: Financial Transactions and Reporting - Employee Benefit Trust  
Audit Findings: Material Weakness, Noncompliance

*Condition*

Management of the School Corporation had not established an adequate internal control system related to financial transactions and reporting of its Employee Benefit Trust fund. There was no evidence of a review, oversight, or approval process to ensure the accuracy of the transactions and balances within this fund. The lack of controls enabled material misstatements to the financial statement and noncompliance to occur and remain undetected.

The School Corporation created the Employee Benefit Trust fund to account for transactions related to costs incurred for insurance premiums and other medical expenses. The School Corporation created a separate bank account which it transferred funds to each month to cover these expenditures. However, the School Corporation did not include the receipts, disbursements, or cash balances of the Employee Benefit Trust fund in its financial records. As a result, receipts, disbursements, and cash and investments on the financial statement were understated in the amounts of \$2,266,224, \$2,983,691, and \$2,424,959, respectively, for the period ending June 30, 2015, and \$2,031,642, \$2,378,585, and \$2,078,016, respectively, for the period ending June 30, 2016.

The School Corporation received monthly bank statements for the Crawford County Community Schools Employee Benefit Trust account, but no monthly bank reconciliations of this account were performed.

The majority of disbursements in the Employee Benefit Trust fund were electronic fund transfers generated by third-party vendors set up to autodraft payments from the bank account. The remaining disbursements were made by check, most of which were only signed by the Assistant Treasurer. The disbursements out of the Employee Benefit Trust fund circumvented the School Corporation's normal claims process during the audit period. Most disbursements were not approved by the Fiscal Officer and none were approved by the School Board.

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

*Context*

The internal control and compliance issues were systemic problems 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:

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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

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

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

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines for Indiana Public School Corporations, Chapter 1)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

Indiana Code 5-11-10-1.6 states in part:

". . . (c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

(4) the fiscal officer audit and certifies before payment that the invoice or bill is true and correct; and

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

*Cause*

Management of the School Corporation had not established a proper system of internal controls that would have ensured compliance and proper reporting of the receipts, disbursements, and cash balances of the Employee Benefit Trust fund.

*Effect*

The failure to establish a proper system of internal control enabled noncompliance to occur and also enabled material misstatements of the financial statement related to the Employee Benefit Trust fund to remain undetected.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls related to financial transactions and reporting of the Employee Benefit Trust fund. Additionally, we recommended that the School Corporation account for the Employee Benefit Trust fund transactions in its financial records, reconcile the Crawford County Community Schools Employee Benefit Trust bank account monthly, and ensure that Employee Benefit Trust fund disbursements go through the proper approval process prior to payment.

*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 - Payroll Disbursements  
Audit Finding: Significant Deficiency

*Condition*

The School Corporation had implemented an internal control over payroll disbursements that hourly employees completed timesheets each pay period that were signed by the employee's supervisor. However, the control was not operating effectively during the audit period.

Issues were identified with three of five pay periods tested. Timesheets for four hourly employees were not signed by the employee's supervisor in one pay period, and timesheets for one employee each were not signed in two other pay periods.

*Context*

The internal control issue was a systemic problem throughout the audit period as the issue was identified in pay periods during both years under audit.

*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. . . .

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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. . . .

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. . . ."

*Cause*

Management of the School Corporation had not properly implemented and monitored the system of internal controls related to payroll disbursements.

*Effect*

The failure to properly implement controls could have enabled misstatements or irregularities related to payroll disbursements to remain undetected.

*Recommendation*

We recommended that the School Corporation's management monitor the system of internal controls related to payroll disbursements to ensure that internal controls operated effectively.

*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: Special Education Cluster (IDEA) - Cash Management and 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): 14214-056-PN01, 14215-056-PN01,  
45714-056-PN01, 45715-056-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Findings: Material Weakness, Other Matters

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-004.

*Condition*

The School Corporation was a member of the South Central Area Special Education Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds. There was no oversight of the Cooperative by the School Corporation. Each member school corporation is ultimately responsible for ensuring compliance with the requirements.

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

The supporting documentation attached to the reimbursement forms was a detail subtotal by fund by object code report, which was a summary listing of expenses grouped by fund and object code with no detail of the actual expenses incurred. The supporting documentation did not consistently agree with the amounts requested for reimbursement or the total expenses to date that were reported on the reimbursement forms. The School Corporation claimed and received reimbursements for expenditures that were not incurred and/or paid prior to the date of claiming the reimbursement.

Additionally, the School Corporation was responsible for filing the Report of Children and Youth with Disabilities Receiving Special Education under Part B of the Individuals with Disabilities Act in December each year. Adequate internal controls were not in place over this report to ensure its accuracy prior to submission. The report submitted in December 2014 did not contain signatures of School Corporation officials who were independent of report preparation. There was no evidence of segregation of duties such as an oversight, review, or approval process.

*Context*

The amount requested for reimbursement and the reported amount of total expenses to date did not consistently agree to supporting documentation for four of the eight reimbursement requests tested for fiscal year 2015. Although supporting documentation for some individual reimbursement requests did not agree, in total the amounts claimed for reimbursement for each individual grant agreed to the applicable grant award amounts.

The internal control issue over the Report of Children and Youth with Disabilities Receiving Special Education under Part B of the Individuals with Disabilities Education Act was isolated to school year 2014-2015 and subsequently corrected in school year 2015-2016.

*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. . . ."

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

34 CFR 80.20(b) states:

"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. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

34 CFR 80.21(d) states in part: ". . . Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that the Cooperative complied with the Cash Management and Reporting compliance requirements.

*Effect*

The failure to establish an effective internal control system caused the School Corporation to be in noncompliance with the grant agreement and the compliance requirements. A lack of an internal control system could have also 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 develop and implement procedures and establish controls to monitor the Cooperative to ensure compliance with the grant agreement and the Cash Management and Reporting compliance requirements. We also recommended that the School Corporation implement controls over the Report of Children and Youth with Disabilities Receiving Special Education under Part B of the Individuals with Disabilities Education Act to ensure accuracy of the report prior to submission.

*Views of Responsible Officials*

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-005***

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): 14215-056-PN01, 14216-054-PN01,  
45715-056-PN01, 45716-054-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation was a member of the South Central Area Special Education Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds. There was no oversight of the Cooperative by the School Corporation. Each member school corporation was ultimately responsible for ensuring compliance with the requirements.

An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

No Semi-Annual Certifications or records of activity for School Corporation employees that were paid solely from special education funds were maintained during the audit period. No personal activity reports or records of activity for School Corporation employees paid from multiple cost objectives were maintained during the audit period.

*Context*

No evidence was presented that Semi-Annual Certifications were completed and certified during the audit period for any employees who were paid solely from special education funds. No evidence was presented that personal activity reports were prepared and signed during the audit period for any employees who were paid from multiple cost objectives. In addition, no records of activity were presented for audit for any employees paid either solely or partially from special education funds.

*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:

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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

OMB Circular A-87, Attachment B, section 8h 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. . . ."

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;
- (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*

Management of the School Corporation had not designed or implemented internal control procedures to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*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 ensure compliance with the grant agreement and the Allowable Costs/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.

**FINDING 2016-006**

Subject: Special Education Grants to States - Suspension and Debarment

Federal Agency: Department of Education

Federal Program: Special Education\_Grants to States

CFDA Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-056-PN01, 14214-056-PN01,  
14215-056-PN01, 14216-056-PN01

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 of the South Central Area Special Education Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds. There was no oversight of the Cooperative by the School Corporation. Each member school corporation was ultimately responsible for ensuring compliance with the requirements.

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

The Cooperative's director signed the Application and Assurance Plan as a condition of federal assistance, which stated that the Cooperative would check the subcontractors to ensure that they were not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal agency or by any department, agency, or political subdivision of the State of Indiana. However, the School Corporation did not have procedures in place to monitor that the Cooperative verified that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction with them.

*Context*

There were three contracts during fiscal year 2015 and three contracts during fiscal year 2016 that exceeded \$25,000; however, the Cooperative did not verify that the vendors were not suspended or debarred prior to awarding these contracts for covered transactions.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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). . . ."

2 CFR 180.300 states:

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

You do this by:

- (a) Checking 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 of the School Corporation had not developed a system of internal controls that would have ensured that the Cooperative complied with the Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled the School Corporation to be in noncompliance with the Suspension and Debarment compliance requirement and the grant agreement.

*Questioned Costs*

There were no questioned costs identified.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

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

**FINDING 2016-007**

Subject: Title I Grants to Local Educational Agencies - Cash Management and Reporting  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Reporting  
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*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Cash Management and Reporting compliance requirements.

Adequate internal controls were not in place over the Cash Management and Reporting compliance requirements to ensure the accuracy of the reports filed. During the period from July 2014 to May 2015, the Assistant Treasurer had the sole responsibility for preparing and submitting the reimbursement requests. There was no segregation of duties such as an oversight, review, or approval process. Additionally, during the same period, the School Corporation did not retain copies of the supporting documentation used to prepare the reimbursement requests and was unable to reproduce this documentation for audit. Therefore, the amounts requested for reimbursement could not be substantiated, and it could not be verified that expenses were paid prior to the request for reimbursement.

*Context*

The issue was isolated to school year 2014-2015 and subsequently correct in June 2015.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
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. . . ."

34 CFR 80.20(b) states:

"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. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income."

34 CFR 80.21(d) states in part: ". . . Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured adequate supporting documentation for reimbursement requests was retained and available for audit.

*Effect*

The lack of supporting documentation for reimbursement requests prevented the determination of the School Corporation's compliance with the grant agreement and the Cash Management and Reporting compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that supporting documentation related to the grant agreement and the Cash Management and Reporting compliance requirements is maintained and available for audit.

*Views of Responsible Officials*

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-008***

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Comparability  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Comparability  
Audit Finding: Material Weakness

*Repeat Finding*

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

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

Internal controls were not in place over the Special Tests and Provisions - Comparability compliance requirement to ensure the accuracy of the reports filed. The Title I Director had the sole responsibility for preparing and submitting the Comparability reports. There was no segregation of duties such as an oversight, review, or approval process.

*Context*

The lack of controls was a systemic problem throughout the audit period as both Comparability reports submitted did not contain evidence of an oversight, review, or approval process.

*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). . . ."

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management of the School Corporation had not developed a system of internal controls, including segregation of duties, that would have ensured that the School Corporation complied with the Special Tests and Provisions - Comparability compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Special Tests and Provisions - Comparability compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the 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 Special Tests and Provisions - Comparability 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 2016-009**

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15, FY 15-16

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 to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Two employees worked solely within the Title I program during the audit period. However, no Semi-Annual Certifications were prepared for these employees. In addition, monthly personnel activity reports were not prepared for substitutes for Title I paraprofessionals who worked on multiple activities or cost objectives.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Context*

The lack of controls and noncompliance related to the time and effort reporting issues were systemic problems throughout the audit period. During both years under audit, the School Corporation did not complete all of the time and effort reporting required under the Title I grant.

*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 A-87, Attachment B, section 8h 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,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

(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.
- (e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
  - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
  - (ii) (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
  - (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances. . . ."

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;
- (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. . . ."

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states in part: "Title I funded staff paid solely from Title I funds complete a Semi-Annual Certification twice a year. Employees who work on multiple activities must maintain a time and effort log at least once a month. . . ."

*Cause*

The School Corporation's management had not developed a system of internal control that would have ensured compliance with the Allowable Costs/Cost Principles 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 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 grant agreement and the Allowable Costs/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.

**FINDING 2016-010**

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Schoolwide Programs

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Schoolwide Programs

Audit Findings: Material Weakness, Other Matters

*Condition*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Schoolwide Programs compliance requirement.

The School Corporation operated five elementary schools and one secondary school during the audit period. The School Corporation developed individual comprehensive needs assessments and comprehensive plans for each school for both years under audit. However, several of these plans did not

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

include the required components under the Schoolwide Programs requirement. Three of the elementary school plans did not address transition plans for assisting preschool children in the successful transition to the schoolwide program. Those same plans and the secondary school plan also did not specifically address additional support to students experiencing difficulty.

The School Corporation was also required to conduct annual evaluations of the results achieved by the schoolwide program and revise the schoolwide plans accordingly based upon those evaluations. However, the School Corporation was unable to provide documentation or other evidence to support that the evaluations of results at each school were conducted as required.

*Context*

The lack of controls and noncompliance were systemic issues 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 200.26(c) states:

"*Evaluation.* A school operating a schoolwide program must—

- (1) Annually evaluate the implementation of, and results achieved by, the schoolwide program, using data from the State's annual assessments and other indicators of academic achievement;
- (2) Determine whether the schoolwide program has been effective in increasing the achievement of students in meeting the State's academic standards, particularly for those students who had been furthest from achieving the standards; and
- (3) Revise the plan, as necessary, based on the results of the evaluation, to ensure continuous improvement of students in the schoolwide program."

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

34 CFR 200.28 states in part:

". . . (d) *Additional support.* A schoolwide program school must include activities to ensure that students who experience difficulty attaining the proficient or advanced levels of academic achievement standards required by § 200.1 will be provided with effective, timely additional support, including measures to—

- (1) Ensure that those students' difficulties are identified on a timely basis; and
- (2) Provide sufficient information on which to base effective assistance to those students.

(e) *Transition.* A schoolwide program in an elementary school must include plans for assisting preschool students in the successful transition from early childhood programs, such as Head Start, Even Start, Early Reading First, or a preschool program under IDEA or a State-run preschool program, to the schoolwide program."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Schoolwide Programs 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.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Schoolwide Programs 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 2016-011**

Subject: Twenty-First Century Community Learning Centers - Cash Management and Reporting  
Federal Agency: Department of Education  
Federal Program: Twenty-First Century Community Learning Centers  
CFDA Number: 84.287  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 13-14, FY 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Reporting  
Audit Findings: Material Weakness, Modified Opinion

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*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 Cash Management and Reporting compliance requirements.

Adequate internal controls were not in place over the Cash Management and Reporting compliance requirements to ensure the accuracy of the reports filed. The Business Manager was approving the reimbursement requests prepared by the Assistant Treasurer. However, the control was not effective from July 2014 to June 2015, as the School Corporation did not retain copies of the supporting documentation used to prepare the reimbursement requests and was unable to provide this documentation for audit. Therefore, the amounts requested for reimbursement could not be substantiated, nor could it be verified that expenses were paid prior to the request for reimbursement.

In addition, the School Corporation was required to submit a Final Report of Expenditures for each grant year. The reports were not filed for the grants awarded for fiscal year 2014-2015 or fiscal year 2015-2016. Additionally, the School Corporation filed the Mid-Year Expenditure Report for fiscal year 2015-2016 as required, but the School Corporation did not retain copies of the supporting documentation used to prepare the report and was unable to provide this documentation for audit. Therefore, the amounts submitted on the report could not be substantiated.

*Context*

The internal control and compliance issues with the Reimbursement Requests were isolated to school year 2014-2015 and subsequently corrected in June 2015.

The internal control and compliance issues with the Final Report of Expenditures were systemic problems throughout the audit period. The lack of supporting documentation for the Mid-Year Expenditure Report was isolated to fiscal year 2015-2016.

*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. . . ."

34 CFR 80.20(b) states:

"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.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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

34 CFR 80.21(d) states in part: ". . . Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. . . ."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured that adequate supporting documentation was retained for the reimbursement requests and Mid-Year Expenditure Report and that all required reports were prepared and submitted.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance with the Cash Management and Reporting compliance requirements. The lack of supporting documentation for reimbursement requests and other required reports prevented the determination of the School Corporation's compliance with the grant agreement and the Cash Management and Reporting compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that supporting documentation for reimbursement requests and required reports is retained and available for audit and that all required reports are prepared and submitted related to the grant agreement and the Cash Management and Reporting compliance requirements.

*Views of Responsible Officials*

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



## CORRECTIVE ACTION PLAN

### ***FINDING 2016-001***

Contact Person Responsible for Corrective Action: Business Manager  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Each year, the Business Manager will prepare a list of all federal awards and will complete the Schedule of Expenditures for Federal Awards as required at the end of each fiscal year. The Assistant Treasurer will be provided with the list of all federal awards for the fiscal year and will review all documentation supporting the Schedule's content for accuracy and completeness prior to the Schedule's submission.

Anticipated Completion Date: June 30, 2016

### ***FINDING 2016-002***

Contact Person Responsible for Corrective Action: Business Manager, Treasurer, Assistant Treasurer  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:  
At the end of each month, the Assistant Treasurer will provide the Treasurer with a list of all expenses paid from the Employee Benefit Trust account and the Treasurer will reconcile the bank statement. The Assistant Treasurer will submit a claims report monthly to the Crawford County Board of Trustees for approval. The Business Manager, Treasurer, and Assistant Treasurer will review and approve the bank reconciliation and claims report monthly.

Anticipated Completion Date: June 30, 2016

### ***FINDING 2016-003***

Contact Person Responsible for Corrective Action: Treasurer  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Administrators have been advised to sign timesheets during summer months. The Treasurer will ensure that all timesheets are signed before payroll will be processed.

Anticipated Completion Date: June 30, 2016

### ***FINDING 2016-004***

Contact Person Responsible for Corrective Action: Assistant Treasurer  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Crawford County School Corporation will require the South Central Special Education Cooperative to submit all reimbursement requests along with a detailed claims report to the school corporation for approval prior to submission. South Central Special Education Cooperative will also submit the Report of Children and Youth with Disabilities Receiving Special Education for approval prior to submission.

Anticipated Completion Date: June 30, 2016

***FINDING 2016-005***

Contact Person Responsible for Corrective Action: Superintendent  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Special Education Director will ensure that semi-annual certifications are completed and certified for all special education staff paid solely from Special Education Funds. The Special Education Director will also ensure that personal activity reports are prepared and signed. The Coop Board/Superintendent will require that all documentation of semi-annual certifications and personal activity reports be on file at the Special Education Cooperative office.

Anticipated Completion Date: June 30, 2016

***FINDING 2016-006***

Contact Person Responsible for Corrective Action: Superintendent  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Special Education Director will ensure that all subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State Indiana. The Coop Board/Superintendent will ensure that all documentation required for subcontractors is on file at the Special Education Cooperative office.

Anticipated Completion Date: June 30, 2016

***FINDING 2016-007***

Contact Person Responsible for Corrective Action: Assistant Treasurer  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: With every cash request, the Assistant Treasurer will print out the necessary supporting documentation from our financial software to determine the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, will be given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager will sign the reimbursement request form and return it to the Assistant Treasurer. The Assistant Treasurer will then make any necessary corrections, sign, and send in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director.

Anticipated Completion Date: June 30, 2016

***FINDING 2016-008***

Contact Person Responsible for Corrective Action: Title I Director, Assistant Treasurer  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Title I Director will prepare the Comparability report and submit it to the Assistant Treasurer for review. Once approved by the Assistant Treasurer, the Title I Director will submit the Comparability report.

Anticipated Completion Date: June 30, 2016

**FINDING 2016-009**

Contact Person Responsible for Corrective Action: Title I Director  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Title I Director will ensure that semi-annual certifications are prepared for all certified Title I staff and will prepare personal activity reports for substitutes for Title I Paraprofessionals who work on multiple activities/cost objectives.

Anticipated Completion Date: June 30, 2016

**FINDING 2016-010**

Contact Person Responsible for Corrective Action: Title I Director  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Title I Director will ensure that all comprehensive need assessments and comprehensive plans are in compliance with the requirements related to the plan agreement. These plans will include a transition plan for assisting preschool children in the successful transition to the schoolwide program and address additional support to students experiencing difficulties. The Title I Director will also ensure that all schoolwide annual evaluations are conducted.

Anticipated Completion Date: June 30, 2016

**FINDING 2016-011**

Contact Person Responsible for Corrective Action: Assistant Treasurer  
Contact Phone Number: 812-365-2135  
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: With every cash request, the Assistant Treasurer will print out the necessary supporting documentation from our financial software to determine the exact expenditures that may be requested for reimbursement. The report, along with the completed reimbursement form, will be given to the Business Manager for review. Once the Business Manager reviews and concurs that the funds were previously expended, the Business Manager will sign the reimbursement request form and return it to the Assistant Treasurer. The Assistant Treasurer will then make any necessary corrections, sign, and send in the request. The requested amount will be verified with the Treasurer once the payment is received. A monthly report will also be given to the Grant Director. All required mid-year and final expenditure reports will be completed and supporting documentation will be retained.

Anticipated Completion Date: June 30, 2016

  
\_\_\_\_\_  
(Signature)

Superintendent

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

6-7-18

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

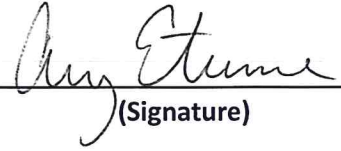
  
\_\_\_\_\_  
(Signature)

Business Manager

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

6-7-18

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

  
\_\_\_\_\_  
(Signature)

Title I Director

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

6-7-18

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

  
\_\_\_\_\_  
(Signature)

Treasurer

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

June 7, 2018

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

  
\_\_\_\_\_  
(Signature)

Assistant Treasurer

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

6-7-18

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

\_\_\_\_\_  
(Signature)

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

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on June 7, 2018, with Tina Key, Treasurer; James Smith, Business Manager; Michael Key, Interim Superintendent of Schools; and Lance Stroud, President of the School Board.