

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TIPPECANOE SCHOOL CORPORATION

TIPPECANOE COUNTY, INDIANA

July 1, 2014 to June 30, 2016



**FILED**  
07/19/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kimberly J. Fox (Vacant) Amanda Brackett	07-01-14 to 06-30-15 07-01-15 to 07-19-15 07-20-15 to 06-30-18
Superintendent of Schools	Dr. Scott Hanback	07-01-14 to 06-30-18
President of the School Board	Randy Bond Linda Day	01-01-14 to 12-31-15 01-01-16 to 12-31-18



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE TIPPECANOE SCHOOL CORPORATION,  
TIPPECANOE COUNTY, INDIANA

This report is supplemental to our audit report of the Tippecanoe 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 19, 2018

TIPPECANOE 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 report. The prior audit finding number was 2014-001.

*Condition*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, 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) financial reporting system, which was the source of the School Corporation's SEFA. One employee prepared the federal award information entered into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

*Context*

The SEFA presented for audit contained the following errors:

1. The Child Nutrition Cluster expenditures were understated by \$486,612 and \$29,496 for the 2015 and 2016 fiscal years, respectively.
2. The Special Education Cluster (IDEA) expenditures were understated by \$891,369 and \$725,142 for the 2015 and 2016 fiscal years, respectively.
3. The Career and Technical Education - Basic Grants to States amounts passed through to subrecipients were understated by \$45,192 and \$79,703 for the 2015 and 2016 fiscal years, respectively.

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

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

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

TIPPECANOE SCHOOL CORPORATION  
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, misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish controls related to the preparation of the SEFA.

*Views of Responsible Officials*

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

**FINDING 2016-002**

Subject: Child Nutrition Cluster - Reporting  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

*Condition*

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

The School Corporation had not designed or implemented adequate policies or procedures to ensure accurate reporting of its School Food Authority (SFA) Verification Collection Reports and Annual Financial Reports. The reports were prepared by the one employee without an oversight, review, or approval process.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period.

*Criteria*

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

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

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Reporting compliance requirement.

*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 Reporting compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2016-003**

Subject: Child Nutrition Cluster - Equipment  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Other Matters

*Condition*

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

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

The School Corporation had not established effective controls to ensure that equipment records contained the proper detail or that equipment was properly safeguarded or maintained.

The equipment records did not contain acquisition dates, cost, or disposition data, and some equipment items did not have identifying numbers. Also, equipment was not always adequately safeguarded and maintained. Three out of the twenty-five items tested from the property listing no longer existed and two other items tested had incorrect serial numbers.

*Context*

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

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313(d) states in part:

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

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

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the equipment management requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the equipment management requirements.

*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 equipment management requirements.

*Views of Responsible Officials*

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

**FINDING 2016-004**

Subject: Child Nutrition Cluster - Suspension and Debarment  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Condition*

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

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

*Context*

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

TIPPECANOE 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 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 an effective system of internal controls that would have ensured compliance with the suspension and debarment requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the suspension and debarment requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the suspension and debarment requirements.

TIPPECANOE 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 2016-005**

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): 14-7865, 15-7865, 16-7865  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Other Matters

*Condition*

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

Required time and effort logs for employees who worked on multiple activities or cost objectives and Semi-Annual Certifications for employees who worked on a single activity or cost objective during the audit period were not presented for audit.

*Context*

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

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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

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

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

(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) 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:

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

- (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 had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

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

*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 2016-006**

Subject: Title I Grants to Local Educational Agencies - Equipment  
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): 14-7865, 15-7865, 16-7865  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Other Matters

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Condition*

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

The School Corporation had not established effective controls to ensure that equipment records contained the proper detail or that equipment was properly safeguarded or maintained.

The equipment records did not contain acquisition dates, cost, or disposition data, and some equipment items did not have descriptions. Also, equipment was not always adequately safeguarded and maintained. Of the 25 items selected for testing, 5 were not observed but were included in an obsolete equipment list maintained by IT personnel at the school; however, a copy of this obsolete equipment list was not kept or reconciled with the School Corporation's Title I office. Another 7 of the 25 items selected for testing were not observed and were not included on the obsolete equipment list maintained by IT personnel at the school.

*Context*

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

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.313(d) states in part:

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

TIPPECANOE SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the equipment management requirements.

*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 equipment management requirements.

*Views of Responsible Officials*

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



**Tippecanoe School Corporation**  
21 Elston Road  
Lafayette, Indiana 47909-2899

### **CORRECTIVE ACTION PLAN**

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

**Contact Person Responsible for Corrective Action:** Amanda M. Brackett, Chief Financial Officer  
**Contact Phone Number:** (765) 772-4915

**Views of Responsible Official:** We agree with the repeat findings identified.

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

In order to mitigate future findings regarding the Schedule of Federal Awards preparation, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. Two staff members in the Business Office have been identified and will complete the annual SEFA. One person will prepare the SEFA, the second person will review the entries, and the Chief Financial Officer will review and submit the final SEFA into the Gateway system.
2. These identified personnel in the Business Office will be trained to understand what is required in the SEFA and which reports from our financial accounting system the data is to be retrieved. Training will include both internal (reviewing reports) as well as external (State Board of Accounts) to know what is needed and expected for the SEFA.
3. All backup documentation to support the SEFA entries will be kept in a file for review, if needed.
4. Signatures of the preparer, reviewer, and submitter will be kept with the backup documentation.

The changes proposed will prevent future issues with the SEFA from occurring by allowing multiple reviews of the documents before being submitted. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

**Anticipated Completion Date:** July 31, 2018 – We will make these corrections effective with the submission of the 2017-2018 SEFA.



**Tippecanoe School Corporation**  
21 Elston Road  
Lafayette, Indiana 47909-2899

***FINDING 2016-002***

**Contact Person Responsible for Corrective Action:** Lori Shofroth, Director of Nutrition Services  
**Contact Phone Number:** (765) 772-8434

**Views of Responsible Official:** We agree with the findings identified.

**Description of Corrective Action Plan:**

In order to mitigate future findings regarding the internal controls of reporting within our Nutrition Services Department, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. Two staff members in the Nutrition Services Office have been identified and will complete the required reporting. One person will prepare the reports, the second person will review the entries and submit the final report.
2. These identified personnel in the Nutrition Services Office will be trained to understand what is required in regards to internal controls. Training will include both internal (reviewing reports) as well as external (State Board of Accounts) to know what is needed and expected for internal control segregation of duties.
3. All backup documentation to support the reporting entries will be kept in a file for review, if needed.
4. Signatures of the preparer, reviewer, and submitter will be kept with the backup documentation.
5. Additional staff members may be engaged to oversee that the controls are in place.

The changes proposed will prevent future issues with internal controls from occurring by allowing multiple reviews of the documents before being submitted. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

**Anticipated Completion Date:** July 1, 2018.



**Tippecanoe School Corporation**  
21 Elston Road  
Lafayette, Indiana 47909-2899

**FINDING 2016-003**

**Contact Person Responsible for Corrective Action:** Lori Shofroth, Director of Nutrition Services  
**Contact Phone Number:** (765) 772-8434

**Views of Responsible Official:** We agree with the findings identified.

**Description of Corrective Action Plan:**

In order to mitigate future findings regarding asset management within our Nutrition Services Department, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. A full inventory of all nutrition services equipment will be conducted using a third party asset appraisal service vendor.
2. A listing of locations of all equipment will be kept and maintained on an ongoing basis.
3. Any equipment that is disposed of will be updated on the inventory listing to show disposition dates as well as the amount of money received, if any, for the asset.
4. Annual physical reviews will take place by staff members to ensure that the inventory list is accurate.
5. The Director of Nutrition Services will certify to the Chief Financial Officer annually the inventory listing to include the item, date of acquisition, building location and room number, description of asset, initial cost of asset, transfer of equipment from location to location, disposition date and amount sold, if applicable.

The changes proposed will prevent future issues with internal controls from occurring by allowing multiple reviews of the inventory on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

**Anticipated Completion Date:** October 1, 2018.



**Tippecanoe School Corporation**  
21 Elston Road  
Lafayette, Indiana 47909-2899

***FINDING 2016-004***

**Contact Person Responsible for Corrective Action:** Amanda M. Brackett, Chief Financial Officer  
**Contact Phone Number:** (765) 772-4915

**Views of Responsible Official:** We agree with the findings identified.

**Description of Corrective Action Plan:**

In order to mitigate future findings regarding contract management within our school district, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. A checklist will be created to assist in the setup of any new vendors, contracts, and/or agreements.
2. The checklist will include the requirement of checking to see that a vendor/contractor has been suspended/debarred from doing business with the Federal Government.
3. A staff personnel from the Business Office will be assigned to checking the status of suspension/debarment in the Federal Government's database. Documentation supporting this check will be kept.
4. The Chief Financial Officer will approve new vendors, contracts, and/or agreements prior to any business be conducted.

The changes proposed will prevent future issues with internal controls from occurring by allowing a checklist and approval system for new vendors, contracts, and/or agreements on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

**Anticipated Completion Date:** July 1, 2018.



**Tippecanoe School Corporation**  
21 Elston Road  
Lafayette, Indiana 47909-2899

***FINDING 2016-005***

**Contact Person Responsible for Corrective Action:** Dr. BeAnn Younker, Director of Student Services  
**Contact Phone Number:** (765) 772-4915

**Views of Responsible Official:** We agree with the findings identified.

**Description of Corrective Action Plan:**

In order to mitigate future findings regarding time and effort reporting for our employees paid from federal grant programs, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. Monthly meetings will be conducted between the Business Office, Grant Administrators, and other appropriate personnel to ensure that reporting requirements are being met in a timely manner.
2. Included in the monthly meeting will be a review of the prior month's time and effort logs. A review will include making sure that all personnel (as required) have completed and submitted their logs for the prior month, a review for approvals, a review for discrepancies between the timekeeping system and the time and effort logs and a final approval by the grant administrator and the Chief Financial Officer.
3. At the end of each semester, the grant administrator will provide to the Chief Financial Officer a signed semi-annual certifications for those employees paid from one grant program.
4. Additional training will be provided, if needed on the requirements of the form.

The changes proposed will prevent future issues with time and effort reporting on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

**Anticipated Completion Date:** July 1, 2018



**Tippecanoe School Corporation**  
21 Elston Road  
Lafayette, Indiana 47909-2899

***FINDING 2016-006***

**Contact Person Responsible for Corrective Action:** Dr. BeAnn Younker, Director of Student Services  
**Contact Phone Number:** (765) 772-4926

**Views of Responsible Official:** We agree with the findings identified.

**Description of Corrective Action Plan:**

In order to mitigate future findings regarding asset management within our Title I Department, Tippecanoe School Corporation's corrective action plan will include the following measures.

1. A full inventory of all Title I services equipment will be conducted during the summer of 2018.
2. A listing of locations of all equipment will be kept and maintained on an ongoing basis.
3. Any equipment that is disposed of will be updated on the inventory listing to show disposition dates as well as the amount of money received, if any, for the asset.
4. Annual physical reviews will take place by staff members to ensure that the inventory list is accurate.
5. The Director of Student Services will certify to the Chief Financial Officer annually the inventory listing to include the item, date of acquisition, building location and room number, description of asset, initial cost of asset, transfer of equipment from location to location, disposition date and amount sold, if applicable.

The changes proposed will prevent future issues with internal controls from occurring by allowing multiple reviews of the inventory on an ongoing basis. The Chief Financial Officer will monitor the progress of the Corrective Action Plan to ensure that we fulfill our requirements of the CAP.

**Anticipated Completion Date:** October 1, 2018.

TIPPECANOE SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2018, with Randy Bond, Vice President of the School Board; Dr. Scott Hanback, Superintendent of Schools; and Amanda Brackett, Treasurer.