

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
MADISON CONSOLIDATED SCHOOLS  
JEFFERSON COUNTY, INDIANA  
July 1, 2014 to June 30, 2016



**FILED**  
08/01/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Danica Houze	07-01-14 to 12-31-18
Superintendent of Schools	Dr. Ginger Studebaker-Bolinger William H. Narworld (interim) Dr. Jeffery T. Studebaker (interim) Dr. Jeffery T. Studebaker	07-01-14 to 06-13-17 06-14-17 to 11-30-17 12-01-17 to 06-30-18 07-01-18 to 06-30-21
President of the School Board	Todd Bass Joyce Imel Carl Glesing	01-01-14 to 12-31-14 01-01-15 to 12-31-17 01-01-18 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF MADISON CONSOLIDATED SCHOOLS, JEFFERSON COUNTY, INDIANA

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

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

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

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

July 26, 2018

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS

***FINDING 2016-001***

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

*Repeat Finding*

This is a repeat of Finding 2014-002 from the immediately prior audit.

*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 Treasurer was primarily responsible for preparing the SEFA. There was no evidence that the information was reviewed or approved by another individual.

*Context*

The SEFA contained the following errors:

1. Expenditures for the Child Nutrition Cluster were overstated by \$461,158 for the year ending June 30, 2015, and understated by \$187,670 for the year ending June 30, 2016.
2. Expenditures for the Child Nutrition Discretionary Grants Limited Availability were understated by \$3,696 for the year ended June 30, 2016.
3. Expenditures for the Special Education\_Grants to States were overstated by \$50,000 for the year ended June 30, 2016.
4. Expenditures for the English Language Acquisition State Grants were overstated by \$685 for the year ending June 30, 2016.
5. Expenditures for the Improving Teacher Quality State Grants were overstated by \$930 and \$3,500 for the years ending June 30, 2015 and 2016, respectively.
6. Some federal grantor agencies, program names, and CFDA numbers were listed 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.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

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

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

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

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

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

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

*Cause*

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

*Effect*

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

MADISON CONSOLIDATED SCHOOLS  
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 - Internal Controls

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

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

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Eligibility, Program Income, Reporting,  
Special Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Findings 2014-004 and 2014-005 from the immediately prior audit.

*Condition*

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

*Cash Management*

The School Corporation had not developed procedures whereby the net cash resources in its food service program (School Lunch fund) were monitored to ensure that the net cash resources in the School Lunch fund did not exceed the three months average expenditures. The Food Service Director performed an annual review and there was no oversight or review by someone other than the Food Service Director.

*Eligibility*

The Food Service Director was solely responsible for inputting all paper applications into the computer software system that determined eligibility. In addition, the applicable federal income eligibility guidelines were uploaded every year by the lunch software provider; however, there was no documentation that the eligibility guidelines entered were verified for accuracy prior to the software making eligibility determinations for all applicants. An oversight or review process had not been established to ensure accurate eligibility determinations.

*Program Income*

There was not adequate segregation of duties, such as an oversight, review, or approval process to ensure that program income was charged at the approved rate and properly recorded into the School Lunch fund.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Reporting*

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

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

The annual calculation for paid lunch equity was prepared by the Food Service Director. There was no segregation of duties, such as an oversight, review, or approval process to ensure the calculation was accurate.

*Context*

The lack of internal 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. . . ."

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 segregated key functions.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-003**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment  
Federal Agency: Department of Agriculture  
Federal Programs: School Breakfast Program, National School Lunch Program  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a partial repeat of Finding 2014-004 from the immediately prior audit relating to suspension and debarment.

*Condition*

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

*Procurement*

The Food Service Director was responsible for the preparation, distribution, and review of the quote packets sent to vendors. There was no oversight to verify that the School Corporation was adhering to grant requirements over procurement.

The School Corporation did not have a purchasing policy addressing micro-purchases, small purchases, and other purchases, nor did it have written standards covering conflicts of interest governing performance of its employees engaged in the selection, award, and administration of contracts.

*Suspension and Debarment*

The Food Service Director was responsible for preparation, distribution, and review of the quote packets that included a Suspension and Debarment Certification. There was no oversight that the vendor was correctly categorized as not suspended or debarred.

*Context*

Noncompliance with the program requirements and lack of internal controls was a systemic issue, which occurred throughout the audit period.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.319(c) states in part: "The non-Federal entity must have written procedures for procurement transactions. . . ."

2 CFR 200.320 states in part:

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

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

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

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

2 CFR 200.318(c)(1) states:

"The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity."

*Cause*

Management had not developed an effective internal control system that would have ensured compliance with the procurement and suspension and debarment requirements.

*Effect*

The failure to establish an effective internal control system enabled material 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 related to the grant agreement and the compliance requirements listed above.

*Views of Responsible Officials*

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

**FINDING 2016-004**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

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): 14214-158-PN01, 14215-158-PN01,  
45714-158-PN01, 99914-158-TA01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: 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 Procurement and Suspension and Debarment compliance requirements.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

The School Corporation did not have a purchasing policy addressing micro-purchases, small purchases, and other purchases, nor did it have written standards covering conflicts of interest governing performance of its employees engaged in the selection, award, and administration of contracts.

The School Corporation did not determine if vendors paid were suspended or debarred from participation in federal programs.

*Context*

Noncompliance with the program requirements and lack of internal 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. . . ."

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 200.319(c) states in part: "The non-Federal entity must have written procedures for procurement transactions. . . ."

2 CFR 200.320 states in part:

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

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

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

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

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

2 CFR 200.318(c)(1) states:

"The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity."

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 ELPS; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

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 internal control system that would have ensured compliance with the procurement and suspension and debarment requirements.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Effect*

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

*Views of Responsible Officials*

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

**FINDING 2016-005**

Subject: Special Education Cluster (IDEA) - Internal Controls

Federal Agency: Department of Education

Federal Programs: Special Education\_Grants to States,  
Special Education\_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-158-PN01, 14215-158-PN01,  
45714-158-PN01, 99914-158-TA01

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2014-003 from the immediately prior audit relating to Cash Management, Level of Effort, Period of Performance, and Reporting.

*Condition*

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

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

Activity charged to the grant program as recorded in the ledger was not reviewed by another individual to ensure all activity charged was associated with allowable activities and allowable costs.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Cash Management*

Cash reimbursement requested were completed by one individual without oversight or review to ensure the amount being requested was correct and had been paid prior to the amounts being requested.

*Level of Effort*

Expenditure information reported to the state for use in the calculation of level of effort was completed by one individual without oversight or review to ensure the accuracy of the information reported and the related calculation.

*Period of Performance*

Activity charged to the grant program as recorded in the ledger was not reviewed by another individual to ensure all the activity charged was within period of performance for the grants.

*Reporting*

Reports were completed by one individual without oversight or review to ensure the reports were accurate.

*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. . . ."

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). . . ."

(b)

*Cause*

Management had not developed a system of internal controls that segregated key functions.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-006**

Subject: Title I Grants to Local Educational Agencies - Internal Controls

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): 13-3995, 14-3995, 15-3995

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Cash Management, Eligibility,  
Period of Availability, Reporting, Special Tests and Provisions -  
Participation of Private School Children, Special Tests and  
Provisions - Comparability

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Cash Management, Eligibility, Period of Availability, Reporting, Special Tests and Provisions - Participation of Private School Children, and Special Tests and Provisions - Comparability.

*Activities Allowed or Unallowed*

The Treasurer prepared and submitted the monthly Requests for Reimbursement. There were no controls in place to ensure all costs submitted for reimbursement were for activities allowed by the Title I Program.

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

*Cash Management*

The Treasurer prepared and submitted the monthly Requests for Reimbursement. There were no controls in place to ensure all costs submitted for reimbursement had been incurred and paid prior to the date of the request.

*Eligibility*

The Title I Director prepared and submitted all of the grant applications. There were no controls in place to ensure the accuracy of the data prior to submission.

*Period of Availability*

The Treasurer prepared and submitted the monthly Requests for Reimbursement. There were no controls in place to ensure all costs submitted for reimbursement were incurred during the period of availability.

*Reporting*

The Treasurer prepared and submitted the monthly Requests for Reimbursement and the Final Annual Expenditure Reports. There were no controls in place to ensure the Requests for Reimbursement or the Final Annual Expenditure Reports were accurate and complete.

*Special Tests and Provisions - Participation of Private School Children*

The Title I Director prepared and submitted all of the grant applications. There were no controls in place to ensure the accuracy of the Private School's data prior to submission.

*Special Tests and Provisions - Comparability*

The Title I Director prepared and submitted the Comparability reports. There were no controls in place to ensure the accuracy of the data prior to submission.

*Context*

The lack of properly designed and implemented controls was a systemic problem throughout the entire 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

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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 segregated key functions.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2016-007**

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): 13-3995, 14-3995  
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.

Four of the ten employees tested during the 2014-2015 school year worked solely within the Title I program; however, no Semi-Annual Certifications were prepared, nor were any time records maintained for these employees.

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(Continued)

The Treasurer prepared and submitted the monthly Requests for Reimbursement. There were no controls in place to ensure all costs submitted for reimbursement were made in accordance with the Allowable Costs/Cost Principles compliance requirement of the program.

*Context*

The lack of controls was a systemic problem throughout the entire audit period. The noncompliance related to time and effort requirements was only an issue for the 2014-2015 school year.

*Criteria*

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

OMB A-87, Attachment B, section 8h(3) states:

"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."

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); . . .

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(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 . . ."

Title I Fiscal Handbook 2015-2016, Basic Title I, Part A and D states: "Title I funded staff paid solely from Title I funds complete a Semi-Annual Certification twice a year."

*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 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 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 2016-008**

Subject: Title I Grants to Local Educational Agencies - Procurement  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Number and Year (or Other Identifying Number): 15-3995  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: 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 Procurement compliance requirement. The School Corporation had not adopted an adequate policy for compliance with requirements pertaining to procurement.

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(Continued)

Written policies and procedures outlining responsibilities and duties for procurement had not been established identifying procurement requirement in order to ensure staff was knowledgeable about the grant requirements and a process was in place to ensure adherence to the requirements. The School Corporation did not have a written code of ethical conduct.

*Context*

The lack of controls and a formal policy was a systematic problem for the entire 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 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts. . . ."

2 CFR 200.318 states in part:

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

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

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(Continued)

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

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

*Views of Responsible Officials*

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

**FINDING 2016-009**

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate

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): 13-3995, 14-3995, 15-3995

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation failed to comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate requirement. Written documentation was not obtained for students who transferred out, immigrated to another country, or are deceased.

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(Continued)

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period. The School Corporation did not obtain the proper documentation required for 6 of the 21 students tested.

*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 200.19(b) states in part:

*"High schools—*

(1) *Graduation rate.* Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .

(ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term 'students who transfer into the cohort' means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. . . .

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(Continued)

(2) *Transitional graduation rate.*

(i) Prior to the deadline in paragraph (b)(4)(ii)(A) of this section, a State must calculate graduation rate as defined in paragraph (b)(1) of this section or use, on a transitional basis—

(A) A graduation rate that measures the percentage of students from the beginning of high school who graduate with a regular high school diploma in the standard number of years; . . .

(ii) For a transitional graduation rate calculated under paragraph (b)(2)(i) of this section—

(A) 'Regular high school diploma' has the same meaning as in paragraph (b)(1)(iv) of this section;

(B) 'Standard number of years' means four years unless a high school begins after ninth grade, in which case the standard number of years is the number of grades in the school; and

(C) A dropout may not be counted as a transfer. . . ."

*Cause*

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the compliance requirement listed above.

*Views of Responsible Officials*

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

MADISON CONSOLIDATED SCHOOLS  
FEDERAL FINDINGS  
(Continued)

***FINDING 2016-010***

Subject: Title I Grants to Local Educational Agencies, Special Education\_Grants to States - Special Tests and Provisions - Schoolwide Programs

Federal Agency: Department of Education

Federal Programs: Title I Grants to Local Educational Agencies, Special Education\_Grants to States

CFDA Numbers: 84.010, 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 13-3995, 14-3995, 15-3995, 14214-158-PN01, 14215-158-PN01, 99914-158-TA01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Schoolwide Programs

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 agreements and the Special Tests and Provisions - Schoolwide Programs compliance requirement.

Information used to determine eligibility in the program was not reviewed. The Title I Director prepared and submitted all of the grant applications. There were no controls in place to ensure the accuracy of the data prior to submission.

*Context*

The lack of properly designed and implemented controls was a systemic problem throughout the entire 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). . . ."

MADISON CONSOLIDATED SCHOOLS  
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(Continued)

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the 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 programs.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the compliance requirement listed above.

*Views of Responsible Officials*

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

Carl Glesing, President  
Rob Kring, Vice-President  
Jeanne Dugle, Secretary  
Joyce Imel, Member  
Linda laCour, Member



2421 Wilson Avenue  
Madison, IN 47250  
Phone: 812-274-8001

*Educating All Students to Reach Their Potential*

**CORRECTIVE ACTION PLAN**  
Audit Period July 1, 2014 through June 30, 2016

***Finding 2016-001***

Contact Person Responsible for Corrective Action: Bonnie Hensler, Director of Finance & Human Resources  
Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

**Description of Corrective Action Plan:**

The Treasurer will prepare the SEFA with accurate information and the Director of Finance will review and sign off on the SEFA. Documentation will be kept to ensure evidence of preparation, review, and approval of the SEFA.

Anticipated Completion Date: 7/1/2018

***Finding 2016-002***

Contact Person Responsible for Corrective Action: Tonya Maschino, Nutrition and Wellness Coordinator  
Contact Phone Number: 812-274-8116

Views of Responsible Official: We concur with the finding.

**Description of Corrective Action Plan:**

The Nutrition and Wellness Coordinator will work closely with the Director of Finance to reduce the current cash balance. The Nutrition and Wellness Coordinator will be responsible to monitor cash projections and reporting to the Director of Finance for review and approval.

The Nutrition and Wellness Assistant Coordinator and the Nutrition and Wellness Coordinator will both review and approve the eligibility information in the lunch software provider, Skyward. The Nutrition and

Wellness Assistant Coordinator will be responsible for inputting the application in the system, after the guidelines are approved each year.

The Nutrition and Wellness Coordinator will prepare all reporting, income, and paid lunch equity. The Nutrition and Wellness Assistant Coordinator will be responsible for the review and verifying accuracy and compliance in accordance with applicable regulation. They will work together to allow proper segregation of duties and internal controls.

Anticipated Completion Date: 7/1/2018

***Finding 2016-003***

Contact Person Responsible for Corrective Action: Tonya Maschino, Nutrition and Wellness Coordinator  
Contact Phone Number: 812-274-8116

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Nutrition and Wellness Assistant Coordinator and the Nutrition and Wellness Coordinator will work together to ensure procurement procedures are in compliance with requirements, including preparation, distribution, and review of all quote packets. The School Corporation adopted a purchasing policy on 12/14/2016. The Nutrition & Wellness Coordinator and the assistant will start verifying that vendors are not suspended or debarred from participation in federal programs before purchasing, the Deputy Treasurer will verify before a payment is made.

Anticipated Completion Date: 7/1/2018

***Finding 2016-004***

Contact Person Responsible for Corrective Action: Bonnie Hensler, Director of Finance & Human Resources  
Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The school corporation adopted a policy on procurement and suspension and debarment on 12/14/2016. The Director of Special Education and the special education secretary will start verifying that vendors are not suspended or debarred from participation in federal programs before purchasing, the Deputy Treasurer will verify before a payment is made.

Anticipated Completion Date: 7/1/2018

***Finding 2016-005***

Contact Person Responsible for Corrective Action: Bonnie Hensler, Director of Finance & Human Resources  
Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Treasurer will prepare reimbursement requests, attaching the expenditure details for the period and the Accounting Specialist will review and approve, also ensuring activity charged was within the period of performance for each grant. The Treasurer will prepare the MOE and final expenditure report with accurate back up documentation, and the Director of Special Education will review and approve.

Anticipated Completion Date: 7/1/2018

***Finding 2016-006***

Contact Person Responsible for Corrective Action: Bonnie Hensler, Director of Finance & Human Resources  
Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Treasurer will prepare reimbursement requests and final expenditure report attaching appropriate supporting documentation, the Accounting Specialist with review and approving, ensuring all activities occurred within the period. The Title I Compliance Specialist and Assistant Superintendent will prepare the Title I application with review and approval from the Superintendent.

Anticipated Completion Date: 7/1/2018

***Finding 2016-007***

Contact Person Responsible for Corrective Action: Bonnie Hensler, Director of Finance & Human Resources  
Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Treasurer will have all employees being paid from Title I have Semi-Annual Certifications filled out and signed by their supervisor. Also all employees being paid via time card will say "Title I" on them. These two items will ensure time and effort requirements. Also the reimbursements will be reviewed to approve all costs are in accordance with Allowable Costs/Cost Principles compliance requirement by the Title I Program.

Anticipated Completion Date: 7/1/2018

***Finding 2016-008***

Contact Person Responsible for Corrective Action: Bonnie Hensler, Director of Finance & Human Resources

Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The school corporation adopted a policy on procurement and suspension and debarment on 12/14/2016. The Title I Compliance Specialist will start verifying that vendors are not suspended or debarred from participation in federal programs before purchasing, the Deputy Treasurer will verify before a payment is made.

Anticipated Completion Date: 7/1/2018

***Finding 2016-009***

Contact Person Responsible for Corrective Action: Michael Gasaway, High school Principal

Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The high school will create procedures for tracking enrollments, removals, transfers, expulsion, and graduation numbers. The High School principal will review and approve at least twice a year.

Anticipated Completion Date: 7/1/2018

***Finding 2016-010***

Contact Person Responsible for Corrective Action: Bonnie Hensler, Director of Finance & Human Resources

Contact Phone Number: 812-274-8102

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Treasure prepares the Special Education Grant applications. The Director of Special Education reviews and approves the applications. The Title I Compliance Specialist & Assistant Superintendent will determine eligibility and prepare the Title I grant application. The Superintendent will review and approve.

Anticipated Completion Date: 7/1/2018

Danica Hauze  
(Signature)

Treasurer  
(Title)

7-23-2018  
(Date)

MADISON CONSOLIDATED SCHOOLS  
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2018, with Dr. Jeffery T. Studebaker, Superintendent of Schools; Bonnie Hensler, Director of Finance and Human Resources; Danica Houze, Treasurer; Carl Glesing, President of the School Board; and Joyce Imel, School Board member.