

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

COMMUNITY SCHOOL CORPORATION
OF SOUTHERN HANCOCK COUNTY
HANCOCK COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
08/02/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Robert L. Yoder	07-01-14 to 06-30-18
Superintendent of Schools	Dr. Lisa Lantrip	07-01-14 to 06-30-18
President of the School Board	William Niemier Craig S. Wagoner, Sr. Brian McKinney	01-01-14 to 12-31-14 01-01-15 to 12-31-16 01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE COMMUNITY SCHOOL CORPORATION OF
SOUTHERN HANCOCK COUNTY, HANCOCK COUNTY, INDIANA

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

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

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

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

June 28, 2018

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS

FINDING 2016-001

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): 14-3115, 15-3115, 16-3115
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

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation was unaware of the documentation requirements for removing a student from the cohort. The School Corporation did not always maintain sufficient documentation for students who were removed from the cohorts and reported as transferred to another public or non-public school. Of the 40 students tested who were removed from the cohorts for the 2014-2015 and 2015-2016 school years, 32 of these students files did not contain sufficient documentation. The Director of Instruction was solely responsible for maintaining the graduation cohort and reporting the graduation rate data to the state.

Context

The lack of controls and noncompliance were systemic issues, which occurred during the period audited.

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). . . ."

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

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. . . .

- (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 or years; or . . .

(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. . . ."

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

Cause

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

Effect

The failure to establish an effective internal control system, which would have included segregation of duties, placed the School Corporation in noncompliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate 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 Special Tests and Provisions - Annual Report Card, High School Graduation Rate 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 2016-002

Subject: Title I Grants to Local Educational Agencies - Special
Tests and Provisions - Assessment System Security
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): 16-3115
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Assessment System Security
Audit Findings: Significant Deficiency, Other Matters

Condition

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

The School Corporation established guidelines for Assessment System Security. However, out of 36 staff members tested, 17 "Indiana Testing Security and Integrity" agreement forms were not provided for audit. Two buildings could not locate the signed agreements to provide for audit.

Context

The lack of controls and noncompliance were systemic issues, which occurred throughout the 2016 fiscal year.

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

Criteria

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). . . ."

The administrative regulation 511 IAC 5-5-5 states in part: ". . . (b) Any individual who administers, handles, or has access to secure test materials at the school or school corporation shall complete assessment training and sign a testing security and integrity agreement to remain on file in the appropriate building-level office each year. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Assessment System Security 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 Special Tests and Provisions - Assessment System Security compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Special Tests and Provisions - Assessment System Security compliance requirement.

Views of Responsible Officials

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

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

FINDING 2016-003

Subject: Special Education Cluster (IDEA) - Cash Management, Procurement
and Suspension and Debarment, Reporting

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 99914-027-TA01, 14214-027-PN01,
45714-027-PN01, 14215-027-PN01,
45715-027-PN01, 14216-027-PN01,
45716-027-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Procurement and Suspension
and Debarment, Reporting

Audit Finding: Material Weakness

Condition

The School Corporation was a member school corporation of the Hancock Madison Shelby Educational Services Cooperative (Cooperative). The member school corporations of the Cooperative had determined that it was beneficial to pool their resources to provide special education services to those in need. The Cooperative designated a fiscal agent, who was responsible for the accounting records of the Cooperative. During the 2015-2016 school year, the fiscal agent of the Cooperative spent the federal money on behalf of the School Corporation and other member school corporations. The grant agreements for the federal programs were between the Indiana Department of Education (IDOE) and each member school corporation of the Cooperative. The School Corporation was ultimately responsible for compliance with the compliance requirements.

An effective internal control system was not in place at the School Corporation for the 2015-2016 school year in order to ensure compliance with requirements related to the grant agreement and the Cash Management, Procurement and Suspension and Debarment, and Reporting compliance requirements.

Cash Management

The School Corporation had not designed or implemented adequate policies and procedures to ensure that compliance requirements for cash management were properly charged to the applicable federal grants. Reimbursement requests were prepared and submitted by the Treasurer with no review or oversight.

Procurement

The School Corporation had not designed or implemented adequate policies and procedures to ensure that there was proper segregation of duties regarding procurement. The Treasurer prepared claims for payment and paid the claims with no review or oversight.

Reporting

The School Corporation had not designed or implemented adequate policies and procedures to ensure that there was proper segregation of duties regarding reporting. Reimbursement requests and Final Expenditure Reports were prepared and submitted by the Treasurer with no review or oversight.

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

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). . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management, Procurement and Suspension and Debarment, and Reporting compliance requirements.

Effect

The failure to establish an effective internal control system, which would have included segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management, Procurement and Suspension and Debarment, and Reporting compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Cash Management, Procurement and Suspension and Debarment, and Reporting compliance requirements.

Views of Responsible Officials

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

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

FINDING 2016-004

Subject: Special Education Cluster (IDEA) - Activities Allowed
or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 99914-027-TA01, 14214-027-PN01,
45714-027-PN01, 14215-027-PN01,
45715-027-PN01, 14216-027-PN01,
45716-027-PN01

Pass-Through Entity: Indiana Department of Education

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

Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation was a member school corporation of the Hancock Madison Shelby Educational Services Cooperative (Cooperative). The member school corporations of the Cooperative had determined that it was beneficial to pool their resources to provide special education services to those in need. The Cooperative designated a fiscal agent, who was responsible for the accounting records of the Cooperative. During the 2015-2016 school year, the fiscal agent of the Cooperative spent the federal money on behalf of the School Corporation and other member school corporations. The grant agreements for the federal programs were between the Indiana Department of Education (IDOE) and each member school corporation of the Cooperative. The School Corporation was ultimately responsible for compliance with the compliance requirements.

An effective internal control system was not in place at the School Corporation for the 2015-2016 school year in order to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Activities Allowed or Unallowed

The Treasurer prepared claims for payment and paid the claims prior to review or approval by any other individual or School Board member.

Allowable Costs/Cost Principles

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the required Semi-Annual Certifications or other documentation of personnel expenses were reviewed and approved by the employee's supervisor and retained for audit. No Semi-Annual Certifications were presented for the period of July 1, 2015 to December 31, 2015. Semi-Annual Certifications provided during the audit period were not always approved by the Executive Director of the School Corporation Council.

Context

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

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
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). . . ."

OMB Circular 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; . . .
- (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. . . ."

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

34 CFR 300.202 states:

- "(a) *General.* Amounts provided to the LEA under Part B of the ACT—
- (1) Must be expended in accordance with the applicable provisions of this part;
 - (2) Must be used only to pay the excess costs of providing special education and related services to children with disabilities, consistent with paragraph (b) of this section; and
 - (3) Must be used to supplement State, local, and other Federal funds and not to supplant those funds.
- (b) *Excess cost requirement—*
- (1) *General.*
 - (i) The excess cost requirement prevents an LEA from using funds provided under Part B of the Act to pay for all of the costs directly attributable to the education of a child with a disability, subject to paragraph (b)(1)(ii) of this section.
 - (ii) The excess cost requirement does not prevent an LEA from using Part B funds to pay for all of the costs directly attributable to the education of a child with a disability in any of the ages 3, 4, 5, 18, 19, 20, or 21, if no local or State funds are available for nondisabled children of these ages. However, the LEA must comply with the nonsupplanting and other requirements of this part in providing the education and services for these children.
 - (2) (i) An LEA meets the excess cost requirement if it has spent at least a minimum average amount for the education of its children with disabilities before funds under Part B of the Act are used.
 - (iii) The amount described in paragraph (b)(2)(i) of this section is determined in accordance with the definition of excess costs in § 300.16. That amount may not include capital outlay or debt service.
 - (3) If two or more LEAs jointly establish eligibility in accordance with § 300.223, the minimum average amount is the average of the combined minimum average amounts determined in accordance with the definition of excess costs in § 300.16 in those agencies for elementary or secondary school students, as the case may be."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Effect

The failure to establish an effective internal control system, which would have included segregation of duties, placed the School Corporation in noncompliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Views of Responsible Officials

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

FINDING 2016-005

Subject: Child Nutrition Cluster - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014-2015, FY 2015-2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash 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 Cash Management compliance requirement.

The School Corporation had not monitored the net cash resources of the School Lunch fund and had not ensured that the net cash resources had not exceeded the three months average expenditures. The net cash resources in the School Lunch fund exceeded the three months average expenditures for twenty-three of the twenty-four months of the audit period. The three months average expenditures were \$349,114 and \$350,480 for fiscal years 2015 and 2016, respectively. For fiscal year 2015 the largest School Lunch fund net cash resources was October 2014 with \$734,705 and fiscal year 2016 the largest School Lunch fund net cash resources was in February 2016 with \$1,025,709.

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. . . ."

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
FEDERAL FINDINGS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 210.14(b) states: "*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

7 CFR 220.7(e) states in part:

". . . . the School Food Authority shall, with respect to participating schools under its jurisdiction:
. . .

(iv) Limit its net cash resources to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . . "

Cause

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

Views of Responsible Officials

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



Community School Corporation of Southern Hancock County
P.O. Box 508, 4711 South 500 West
New Palestine, IN 46163
(317) 861-4463 telephone
(317) 861-2142 fax
<http://corp.newpal.k12.in.us>

CORRECTIVE ACTION PLAN

FINDING 2016-001

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

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 requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate.

Context: The School Corporation was unaware of the documentation requirements for removing a student from the cohort. The School Corporation did not always maintain sufficient documentation for students who were removed from the cohorts and reported as transferred to another public or non-public school. Of the 40 students tested who were removed from the cohorts for the 2014-15 and 2015-16 school years, 32 of these students files did not contain sufficient documentation. The Director of Instruction was solely responsible for maintaining the graduation cohort and reporting the graduation rate data to the state.

Description of Corrective Action Plan: CSC Southern Hancock County has begun utilizing the attached Student Withdrawal/Transfer Report form for tracking students that withdraw from the graduation cohort after the cohort is developed. The high school registrar is responsible for completion of the form, secures verification from the receiving school, and obtains and retains the required documentation. Copies of completed forms are sent to the Administration Office to be retained by the Director of Instructional Services to support the Graduation Rate state report.

Anticipated Completion Date: This procedure was implemented during the 2017-2018 school year.

Robert L. Yoder
Assistant Superintendent
(317) 861-4463 x1011
byoder@newpal.k12.in.us

June 27, 2018

STUDENT WITHDRAWAL/TRANSFER REPORT

****TO BE COMPLETED BY A PARENT/GUARDIAN****

Student Name: _____ Grade: _____ Date: _____

Current Home Address: _____

New Home Address (if applicable): _____

I hereby verify that the above named student will no longer be attending New Palestine High School and has been/will be enrolled at the school listed below.

Parent/Guardian Signature

Parent/Guardian PRINTED

Relationship to Student

Contact Number

****TO BE COMPLETED BY A SCHOOL REPRESENTATIVE****

Year of Graduation: _____

___ **Homeschool** (___ State Form Completed)

___ **Accredited Online School**
Name & Address of Online School: _____

___ **Transfer Out of Indiana**
Name & Address of School: _____

___ **Transfer in Indiana**
Name & Address of School: _____

___ **Other** (___ State Form Completed)

Withdrawal grades and/or current transcript are attached.

School Counselor/Administrator Signature

Office Use: ___ Bookstore/Treasurer ___ Library ___ Technology

Note: School policy precludes the sending of a student's transcript until any and all monies, books and/or computer equipment due to the school are received. This original form must remain in the counseling office at NPHS.



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CORRECTIVE ACTION PLAN

FINDING 2016-002

Title I Grants to Local Educational Agencies - Special Tests and Provisions - Assessment System Security

Condition: An effective internal control system was not in place at the School in order to ensure compliance with requirements related to the grant agreement and the following compliance requirement: Special Test and Provisions - Assessment System Security. Indiana Testing Security and Integrity agreement forms not retained for the audit period.

Context: The unit has established guidelines for Assessment System Security. However, out of 36 staff members tested, 17 signed "Indiana Testing Security and Integrity" agreement forms were not located. Two buildings could not locate the signed agreements to provide for audit.

Description of Corrective Action Plan: CSC Southern Hancock County has improved testing security procedures to ensure Indiana Test Security and Integrity forms are obtained and retained. The principals at each school in the district keep the signed forms for all staff members administering, handling, or that have access to the secure test materials. Copies of completed forms are sent to the Administration Office to be retained by the Director of Instructional Services.

Anticipated Completion Date: These procedure improvements were implemented during the 2016-2017 school year.

Robert L. Yoder
Assistant Superintendent
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byoder@newpal.k12.in.us

June 27, 2018



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CORRECTIVE ACTION PLAN

FINDING 2016-003

Special Education Cluster (IDEA) - Cash Management, Procurement and Suspension and Debarment, Reporting

Condition: An effective internal control system was not in place at the Service Center in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management, Procurement, Suspension and Debarment and Reporting

- Cash Management
The Service Center had not designed or implemented adequate policies and procedures to ensure that compliance requirements for cash management were properly charged to the applicable federal grants. No evidence of segregation of duties, oversight, review, or approval was documented.
- Procurement, Suspension and Debarment
The Service Center had not designed or implemented adequate policies and procedures to ensure that proper segregation of duties regarding procurement occurred. No evidence of oversight, review, or approval was documented.
- Reporting
The Service Center had not designed or implemented adequate policies and procedures to ensure that proper segregation of duties regarding reporting occurred. No evidence of oversight, review, or approval was documented.

Context: This was a systemic issue occurring throughout the audit period.

Description of Corrective Action Plan: CSC Southern Hancock County has implemented the proper internal control procedures required by the grant agreement since assuming financial responsibility at the start of the 2016-2017 school year. The Director of Student Services is responsible for approving all expenditures from the special education grants to ensure they are allowable per the grant agreement. The Director of Student Services, along with the Deputy Treasurer, prepares and submits reimbursements for expenditures twice a month to properly manage cash flow. The School Corporation has policies and procedures in place to ensure segregation of duties regarding procurement and reporting of federal special education funds.

Anticipated Completion Date: These procedures were implemented July 1, 2016.

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June 27, 2018



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CORRECTIVE ACTION PLAN

FINDING 2016-004

Special Education Cluster (IDEA) - Activities Allowed, Allowable Costs/Cost Principles

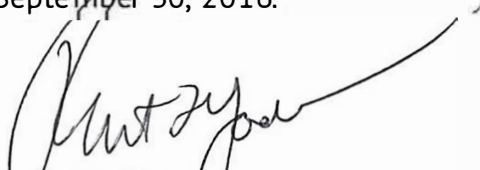
Condition: The Service Center had not established and implemented an effective internal control system to ensure compliance with requirements related to the grant agreement and the Allowable Costs Time & Effort Reporting compliance requirement.

The Service Center had not designed or implemented adequate policies and procedures to ensure that the required Semi-Annual Certifications are retained and are approved by a supervisory official through signature. In fiscal year 2016, no certifications were presented for the period of July 1, 2015 to December 31, 2015. Only one of the four certifications provided during the audit period had been approved by the Executive Director of the Service Center Council.

Context: The lack of controls was a systemic problem during the audit period.

Description of Corrective Action Plan: CSC Southern Hancock County has implemented the proper internal control procedures required by the grant agreement since assuming financial responsibility at the start of the 2016-2017 school year. The Director of Student Services is responsible for obtaining, approving, and retaining time and effort reporting documentation for those staff members paid from the federal special education funds. The Director of Student Services also determines whether the staff members require Semi-Annual Certifications for a single cost objective or Personal Activity Reports for multiple cost objectives.

Anticipated Completion Date: These procedures were implemented as a result of the 2014 audit as of September 30, 2016.


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CORRECTIVE ACTION PLAN

FINDING 2016-005

Child Nutrition Cluster - Cash Management

Condition: The School Corporation had not established an effective internal control system related to the grant agreement and the Cash Management compliance requirement. The School Corporation did not monitor the net cash resources of the School Lunch Fund and failed to ensure that the amount did not exceed the three month average expenditures.

Context: The lack of controls and noncompliance were systemic problems. The net cash resources in the School Lunch Fund exceeded the three month average expenditures for 23 of the 24 months of the audit period. The three month average expenditures were \$349,114 and \$350,480 for FY 2015 and 2016, respectively. For FY 2015 the largest School Lunch Fund Balance was October 2014 with \$734,705 and FY 2016 the largest School Lunch Fund Balance was in February 2016 with \$1,025,709.

Description of Corrective Action Plan: CSC Southern Hancock County has improved internal controls procedures pertaining to cash management of the School Lunch Fund by requiring a more timely monthly review of the Aramark services billed. The Nutrition Programs Director presents the detailed invoice to the Assistant Superintendent each month to ensure proper expenditures are being recorded and invoices are being paid timely to avoid an excess cash balance in the School Lunch Fund. The School Corporation has identified time spent by specific custodial staff in the cafeterias on school days and has begun charging wages and payroll benefits related to this time to the School Lunch Fund. In addition, the School Corporation has had plans to reopen an unoccupied school building in the fall of 2018 that expands the district's operating school buildings from five to six. The excess cash balance is being used to supply the building with necessary kitchen equipment to operate.

Anticipated Completion Date: These procedures were implemented in January 2018 and the equipment expenditures will be finalized by August 2018.


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June 27, 2018

COMMUNITY SCHOOL CORPORATION OF SOUTHERN HANCOCK COUNTY
EXIT CONFERENCE

The contents of this report were discussed on June 28, 2018, with Robert L. Yoder, Treasurer; Dr. Lisa Lantrip, Superintendent of Schools; Brian McKinney, President of the School Board; and Ashlie Worth, Deputy Treasurer.