B50632

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

METROPOLITAN SCHOOL DISTRICT
OF DECATUR TOWNSHIP
MARION COUNTY, INDIANA

July 1, 2015 to June 30, 2017

FILED
08/09/2018

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SCHEDULE OF OFFICIALS

| Office | Official | Term |
|---|---|---|
| Treasurer | W. Kirk Farmer | 07-01-15 to 06-30-19 |
| Superintendent of Schools | Dr. Matt Prusiecki | 07-01-15 to 06-30-19 |
| President of the School Board | Judith Collins | 07-01-15 to 12-31-15 |
| | Larry Taylor | 01-01-16 to 12-31-16 |
| | Dale Henson | 01-01-17 to 12-31-17 |
| | Judith Collins | 01-01-18 to 12-31-18 |

**STATE OF INDIANA**
**AN EQUAL OPPORTUNITY EMPLOYER**

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF DECATUR TOWNSHIP, MARION COUNTY, INDIANA

This report is supplemental to our audit report of the Metropolitan School District of Decatur Township (School Corporation), for the period from July 1, 2015 to June 30, 2017. 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

July 12, 2018

***FINDING 2017-001***

Subject: School Breakfast Program and National School Lunch Program - 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): SY 2016, SY 2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-005.

*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.

No audit evidence was presented that indicated the School Corporation had monitored the School Lunch fund to ensure the balance (net cash resources) of the fund were not more than the three months average expenditures. No audit evidence was presented that indicated a spend down was in place to reduce the fund balances (net cash resources) for the months where the School Lunch fund exceeded the three months average expenditures. The balance (net cash resources) of the School Lunch fund exceeded the three months average expenditures for 20 of the 24 months in the audit period.

*Context*

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

*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). . . ."

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 noncompliance 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.

***FINDING 2017-002***

Subject: Child Nutrition Cluster - Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): SY 2016, SY 2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-006.

*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 requirement.

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

*Context*

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

*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). . . ."

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 a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment 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 Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no question costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

***FINDING 2017-003***

Subject: School Breakfast Program and National School Lunch Program - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): SY 2016, SY 2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-003.

*Condition*

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

The School Corporation relied on one employee to prepare and submit the food service monthly Sponsor Claims (claims for reimbursement) and the Annual Financial Report.

*Context*

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

*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). . . ."

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

***FINDING 2017-004***

Subject: School Breakfast Program and National School Lunch Program - Eligibility
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): SY 2016, SY 2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-008.

*Condition*

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

The School Corporation used a point of sales software system to manage some of the functions of the program. The software system was used to assist in making eligibility determinations and also as a database record for applications submitted and student eligibility designations. The School Corporation was not able to access information in the cafeteria software for the audit period; therefore, eligibility testing could not be performed.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period. The inability to access information from the software system prevented the determination of the School Corporation's compliance for the entire audit period.

*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). . . ."

7 CFR 210.23(c) states:

"*Retention of records*. State agencies and school food authorities may retain necessary records in their original form or on microfilm. State agency records shall be retained for a period of 3 years after the date of submission of the final Financial Status Report for the fiscal year. School food authority records shall be retained for a period of 3 years after submission of the final Claim for Reimbursement for the fiscal year. In either case, if audit findings have not been resolved, the records shall be retained beyond the 3-year period as long as required for the resolution of the issues raised by the audit."

7 CFR 220.7(e) states in part:

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

(13) Upon request, make all accounts and records pertaining to its nonprofit school food service available to the State agency, to FNS and to OA for audit or review at a reasonable time and place. Such records shall be retained for a period of three years after the end of the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the three-year period as long as required for the resolution of the issues raised by the audit; . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

The School Corporation switched to a different point of sales software vendor after the close of the audit period. Management of the School Corporation had not developed a system of internal controls that would have ensured records from the previous point of sales software vendor were retained and available for audit.

*Effect*

The failure to establish an effective internal control system prevented the determination of the School Corporation's compliance with the grant agreement and the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that supporting documentation related to the grant agreement and the Eligibility compliance requirement will be maintained and made available for audit.

*Views of Responsible Officials*

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

***FINDING 2017-005***

Subject: School Breakfast Program, National School Lunch Program - Program Income
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): SY 2016, SY 2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-004.

*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 Program Income compliance requirement.

The School Corporation established a single fund, the School Lunch fund, to record all activity of the food service programs. All receipts from sales, as well as prepayments, were recorded directly in the School Lunch fund. Prepayments were not recorded in a separate fund.

*Context*

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

*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). . . ."

7 CFR 210.14(c) states:

"*Financial assurances*. The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . .

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

Clearing Account Number 8400 - Prepaid Food has been established to account for prepaid food. The collections are to be receipted to 8410 with 8420 representing the transfer out of the clearing account and recognition in the appropriate revenue classifications (1611 to 1614 series) in the School Lunch Fund. The transfer should be made periodically and at the end of each month to appropriately classify meals (breakfast, lunch, etc.) when known (charged by student). (The School Administrator and Uniform Compliance Guidelines, Volume 183)

2 CFR 200.302(a) states in part:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of fund for federal-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Program Income 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 Program Income 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 Program Income 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 2017-006***

Subject: Title I Grants to Local Educational Agencies - Earmarking
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): 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Matching, Level of Effort, Earmarking
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-013.

*Condition*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

- The allocation amount for Neglected Institutions for the fiscal year 2016 Title I grant was $200,000. The actual amount spent was $163,560. This resulted in a shortfall of $36,440 spent for Neglected Institutions.

- The allocation amount for Parental Involvement for the fiscal year 2016 Title I grant was $37,700. The actual amount spent was $31,011. This resulted in a shortfall of $6,689 spent for Parental Involvement.

- The allocation amount for Homeless for the fiscal year 2017 Title I grant was $2,000. No funds were spent for Homeless. This resulted in a shortfall of $2,000 spent for Homeless.

*Context*

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

*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). . . ."

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

The Title I Fiscal Handbook 2014-2015 provided by Indiana Department of Education states in part:

"Certain reservations or set-asides are required for LEAs. Some set-asides are *mandatory*, with the percentage of the current allocation determined by NCLB requirements. Others are at the *discretion* of the LEA. Neglected is determined by the amount stated on the Allocation letter. All set-asides should be deducted from the total allocation (Basic, Targeted, EFIG, Concentration) before determining the amount of money that goes to each school served. . . ."

"*An LEA must reserve 1% of its grant allocation if the allocation is $500,000 or above. 95% of the 1% must be budgeted at the school level.*"

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the Matching, Level of Effort, Earmarking compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in noncompliance with the Matching, Level of Effort, Earmarking 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 Matching, Level of Effort, Earmarking 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 2017-007***

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): 15-5300, 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-010.

*Condition*

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

The Title I Department did not have a proper system of internal controls in place related to assigning payroll costs to employees who worked partially on federal activities and partially on nonfederal activities. Adequate supporting documentation was not maintained for the distribution of their wages.

There were four employees who worked partially on federal activities and partially on nonfederal activities. Required time and effort reporting was not maintained for any of these employees during the audit period.

*Context*

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

*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). . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which allocated using different allocation bases; or an unallowable activity and a direct or indirect costs 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. Employees who work on multiple activities must maintain a time and effort log at least once a month."

"If a school-wide program consolidates funds in a single account, an employee paid with funds from the single account is not required to file a semi-annual certification. If a school-wide program does not consolidate funds, employees working solely on a single Federal program must complete semi-annual certifications.

If a school-wide program does not consolidate funds, employees working on multiple programs must maintain a time and effort log at least once a month."

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

***FINDING 2017-008***

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): 16-5300, 17-5300
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

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-011.

*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.

Supporting documentation was not consistently maintained for the students who were removed from the graduation cohort.

*Context*

For 2 of the 16 students selected to be examined who were removed from the graduation cohort, evidence of oversight and review was not provided and the required supporting documentation was not maintained.

*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). . . ."

34 CFR 200.19(b)(1)(ii)(B) states in part:

"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. . . ."

*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 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 2017-009***

Subject: Title I Grants to Local Educational Agencies -
Special Tests and Provisions - Comparability
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Number and Year (or Other Identifying Number): 16-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Comparability
Audit Findings: Material Weakness, Modified Opinion

*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 - Comparability compliance requirement.

The School Corporation did not implement adequate policies or procedures to ensure that the Comparability Report was prepared. The Comparability Reports for the 2015-2016 and 2016-2017 school years were not made available for audit review. There was no evidence provided that the Comparability Report for the 2015-2016 school year was submitted to the Indiana Department of Education as required.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period. Additionally, the lack of maintaining the Comparability Reports prevented the determination of the School Corporation's compliance with the compliance requirement.

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

The Indiana Department of Education Title I Handbook 2014-2015 states in part:

"All LEAs must complete comparability yearly and submit information to the SEA every two years for compliance with the comparability requirement. Also, Title I LEAs must develop procedures for compliance with the comparability requirement and implement those procedures annually. During a federal review it was suggested the SEA divide the LEAs so that only one half of the LEAs submit comparability reports to the SEA on a yearly basis. Thus, LEAs should be completing the report ANNUALLY, but districts actually submit every other year based on whether the corporation number ends in 0 or 5."

2 CFR 200.302(b)(3) states:

"Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation."

*Cause*

Management had not developed a system of internal controls that would have ensured documentation was maintained and made available for audit relating to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

*Effect*

The failure to retain or provide appropriate documentation prevented the determination of the School Corporation's compliance with the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that documentation will be maintained and provided for audit relating to the grant agreement and the Special Tests and Provisions - Comparability compliance requirement.

*Views of Responsible Officials*

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

***FINDING 2017-010***

Subject: Title I Grants to Local Educational Agencies - Reporting
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 15-5300, 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-009.

*Condition*

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

The School Corporation relied on one employee to prepare and submit the Final Expenditure Reports with no review or oversight process.

*Context*

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

*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). . . ."

*Cause*

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

*Effect*

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

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

***FINDING 2017-011***

Subject: Title I Grants to Local Educational Agencies - Eligibility
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): 16-5300, 17-5300
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Eligibility
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2015-012.

*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 Eligibility compliance requirement.

There was not an oversight and review process established for individual targeted assistance eligibility determinations. For both targeted assistance schools examined, sufficient audit evidence was not provided for verifying student selection for participation in the program.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period. Sufficient documentation was not provided to support compliance with the Eligibility compliance requirement

*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). . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured that documentation related to the Eligibility compliance requirement was maintained and made available for audit.

*Effect*

The failure to maintain and provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the grant agreement and the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls to ensure that documentation related to the grant agreement and the Eligibility compliance requirement will be maintained and made available for audit.

*Views of Responsible Officials*

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

***FINDING 2017-012***

Subject: Special Education Grants to States - Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
CFDA Number: 84.027
Federal Award Number and Year (or Other Identifying Number): 14216-053-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation was a member of the Southside Special Services of Marion County (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 audit period, the fiscal agent of the Cooperative spent the federal money on behalf of the School Corporation and other member school corporations. Since the grant agreements for the federal programs were between the Indiana Department of Education and each member school corporation of the Cooperative, the School Corporation was ultimately responsible for compliance with the compliance requirement.

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 requirement.

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract. The School Corporation contracted with two vendors to provide professional services without verifying that the vendors were not suspended or debarred.

*Context*

The lack of controls and noncompliance were systemic issues, which occurred during the first year of 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 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 a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

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

*Questioned Costs*

There were no question costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

***FINDING 2017-013***

Subject: Special Education Grants to States - Earmarking and Reporting
Federal Agency: Department of Education
Federal Program: Special Education Grants to States
CFDA Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 14214-053-PN-01, 14215-053-PN01, 14216-053-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Matching, Level of Effort, Earmarking; Reporting
Audit Findings: Material Weakness, Modified Opinion

*Condition*

The School Corporation was a member of the Southside Special Services of Marion County (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 audit period, the fiscal agent of the Cooperative spent the federal money on behalf of the School Corporation and other member school corporations. Since the grant agreements for the federal programs were between the Indiana Department of Education 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 in order to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort, Earmarking and Reporting compliance requirements.

We were not able to identify the specific expenditures assigned to nonpublic proportionate shares and we were not able to confirm that the appropriate level of expenditures were made to meet the earmarking requirement for nonpublic proportionate shares.

The four Quarterly Proportionate Share Monitoring Reports for Non Public Schools selected for testing were not presented.

Also, there was one Quarterly Coordinated Early Intervention Services Report selected for testing that was not presented.

*Context*

The lack of controls was a systemic issue, which occurred throughout the audit period. Additionally, the lack of maintaining supporting documentation prevented the determination of the School Corporation's compliance with the compliance requirement.

*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 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

34 CFR 80.20 states in part:

"(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to: . . .

(2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

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

2 CFR 200.302(a) states in part:

"Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal

award, must be sufficient to permit the preparation of reports required by general and program specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

34 CFR 300.133(a) states in part:

"*Formula*. To meet the requirement of § 300.132(a), each LEA must spend the following on providing special education and related services (including direct services) to parentally-placed private school children with disabilities:

(1) For children aged 3 through 21, an amount that is the same proportion of the LEA's total subgrant under section 611(f) of the Act as the number of private school children with disabilities aged 3 through 21 who are enrolled by their parents in private, including religious, elementary schools and secondary schools located in the school district served by the LEA, is to the total number of children with disabilities in its jurisdiction aged 3 through 21.

(2)
(i) For children aged three through five, an amount that is the same proportion of the LEA's total subgrant under section 619(g) of the Act as the number of parentally-placed private school children with disabilities aged three through five who are enrolled by their parents in a private, including religious, elementary school located in the school district served by the LEA, is to the total number of children with disabilities in its jurisdiction aged three through five . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured proper supporting documentation was maintained and made available for audit relating to the Matching, Level of Effort, Earmarking and Reporting compliance requirements.

*Effect*

The failure to retain and make supporting documentation available for audit prevented the determination of the School Corporation's compliance with the grant agreement and the Matching, Level of Effort, Earmarking 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 supporting documentation will be maintained and available for audit relating to the grant agreement and the Matching, Level of Effort, Earmarking 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.

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
Indianapolis, IN 46221
P 317.856.5265
F 317.856.2156
www.msddecatur.k12.in.us

CORRECTIVE ACTION PLAN

***FINDING 2017-001***
Contact Person Responsible for Corrective Action: Becky Betz
Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:
The food service director works with the department of education yearly to create a spend down plan for the 800 fund. The plan is approved yearly by the department of education. Once this plan has been created and approved, the CFO will review. The food service director and CFO will continue to review the plan throughout the year as purchases are made. The food service director will save any written correspondence with the department of education and CFO detailing this plan and progress throughout the year.

Anticipated Completion Date:
Will start new process July 1, 2018.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

6/20/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
Indianapolis, IN 46221
P 317.856.5265
F 317.856.2156
www.msddecatur.k12.in.us

CORRECTIVE ACTION PLAN

***FINDING 2017-002***
Contact Person Responsible for Corrective Action: Becky Betz
Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:
The food service department will ensure that all vendors that we purchase from have not been suspended or debarred from participation in federal programs by either looking them up on the federal website or including language in our contracts that has the vendor attest that they are not suspended or debarred.

Anticipated Completion Date:
Immediately.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

6/20/18
(Date)

DECATUR Proud

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P 317.856.5265
F 317.856.2156
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CORRECTIVE ACTION PLAN

***FINDING 2017-003***
Contact Person Responsible for Corrective Action: Becky Betz
Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:
The food service director will review and sign off on all monthly reimbursement reports before they are submitted to the state for reimbursement.

The child nutrition administrative assistant will review the annual financial report and sign off before it is submitted to the state by the food service director.

Anticipated Completion Date:
Immediately.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

4/20/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
Indianapolis, IN 46221
P 317.856.5265
F 317.856.2156
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CORRECTIVE ACTION PLAN

***FINDING 2017-004***
Contact Person Responsible for Corrective Action: Becky Betz
Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:
The food service department will ensure that all completed free and reduced meal applications are properly saved and accessible for review. All applications will be saved for the 5 year time frame as required by the USDA.

Anticipated Completion Date:
Immediately.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

4/20/18
(Date)

DECATUR Proud

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5275 Kentucky Avenue
Indianapolis, IN 46221
P 317.856.5265
F 317.856.2156
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CORRECTIVE ACTION PLAN

***FINDING 2017-005***
Contact Person Responsible for Corrective Action: Becky Betz
Contact Phone Number: 317-856-5265

We concur with the finding.

Description of Corrective Action Plan:
The food service department will create an 8400 account and balance monthly to be able to track the prepayments.

Anticipated Completion Date:
Will start new process July 1, 2018.

Becky Betz
(Signature)

Director of Child Nutrition
(Title)

6/20/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
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P 317.856.5265
F 317.856.2156
www.msddecatur.k12.in.us

CORRECTIVE ACTION PLAN

***FINDING 2017-006***

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

- Department administration will be trained and directed to utilize the Title I Fiscal Guidance Handbook System provided by the Indiana Department of Education. An effective internal control system will be in place at the School Corporation in order to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
Indianapolis, IN 46221
P 317.856.5265
F 317.856.2156
www.msddecatur.k12.in.us

CORRECTIVE ACTION PLAN

***FINDING 2017-007***

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In order to improve the existing internal control structure moving forward, management will develop procedures to ensure those items detailed below are addressed.

- Expenses, which are allowable, are paid from federal funds and proper segregation of duties is established by having the Business Department review claims.
- A process will be in place for the department to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.
- The department will implement a process that supports employees who work partially on federal activities and partially on other non-federal activities to maintain adequate supporting documentation for the distribution of their wages.
- The School Corporation will comply with the time and effort requirements for those employees who worked solely and partially on Title I under the Title I grant awarded under the requirements of OMB Circular A-133. A "PAR" form will be put into place for employees to track time working on Title.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
Indianapolis, IN 46221
P 317.856.5265
F 317.856.2156
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CORRECTIVE ACTION PLAN

***FINDING 2017-008***

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

- We will develop procedures and processes 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. Supporting documentation will be consistently maintained for those students who are removed from their graduation cohort.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
Indianapolis, IN 46221
P 317.856.5265
F 317.856.2156
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CORRECTIVE ACTION PLAN

***FINDING 2017-009***

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In order to improve the existing internal control structure moving forward, management will develop procedures to ensure those items detailed below are addressed.

- District administration will implement a process within the department to ensure compliance with the grant agreement related to the special tests and provisions compliance requirement. Comparability reports will be completed on a yearly basis.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed
(Title)

6/28/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

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P 317.856.5265
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CORRECTIVE ACTION PLAN

***FINDING 2017-010***

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In order to improve the existing internal control structure moving forward, management will develop procedures to ensure those items detailed below are addressed.

- Department administration will be trained and will utilize the Title I Fiscal Guidance Handbook System provided by the Indiana Department of Education.
- District administration will implement a process within the department to ensure compliance with requirements related to the grant agreement and the "Reporting" compliance requirement

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
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CORRECTIVE ACTION PLAN

***FINDING 2017-011***

Contact Person Responsible for Corrective Action: Stephanie Hofer

Title of Contact Person: Director of Elementary Education

Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

- District administration will implement a process to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement. We will implement a process for individual targeted assistance eligibility determinations.

Anticipated Completion Date: July 1, 2018

Stephanie Hofer
(Signature)

Director of Elementary Ed.
(Title)

6/28/18
(Date)

DECATUR Proud

MSD OF DECATUR TOWNSHIP

5275 Kentucky Avenue
Indianapolis, IN 46221

P 317.856.5265
F 317.856.2156
www.msddecatur.k12.in.us

CORRECTIVE ACTION PLAN

***FINDING 2017-012***

Contact Person Responsible for Corrective Action: Kirk Farmer

Contact Phone Number: (317) 856 - 5265

Views of Responsible Official: We concur with the identified findings.

Description of Corrective Action Plan:

The school district will begin to account for the Special Education Cluster (IDEA) grants locally instead of Southside Special Services of Marion County (Cooperative) acting as the Fiscal Agent. Department administration will be trained and directed to utilize the System for Award Management (SAM), to verify if an entity or individual have been declared ineligible to receive Federal contracts due to a violation of Executive Order 12549, before awarding a contract for goods or services which exceeds $25,000.

Anticipated Completion Date: July 1, 2018

***FINDING 2017-013***

Contact Person Responsible for Corrective Action: Kirk Farmer

Contact Phone Number: (317) 856 - 5265

Views of Responsible Official: We concur with the identified findings.

Description of Corrective Action Plan:

The school district will begin to account for the Special Education Cluster (IDEA) grants locally instead of Southside Special Services of Marion County (Cooperative) acting as the Fiscal Agent. Procedures will be established to ensure expenditures for services to nonpublic students are itemized and the Grant Administrator completes quarterly monitoring reports to ensure adherence to Earmarking and Reporting requirements under the Special Education Cluster (IDEA).

Anticipated Completion Date: July 1, 2018



DECATUR Proud

Kirk Farmer
(Signature)

Chief Financial Officer
(Title)

07/09/18
(Date)

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on July 12, 2018, with Dr. Matt Prusiecki, Superintendent of Schools; W. Kirk Farmer, Treasurer; Judith Collins, President of the School Board; and Dawn Lee, Deputy Treasurer.