

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

AREA 30 CAREER CENTER

PUTNAM COUNTY, INDIANA

July 1, 2013 to June 30, 2017



FILED
01/26/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Cindy Burnham	07-01-13 to 06-30-19
Executive Director	Lora Busch	07-01-13 to 06-30-19
President of the Board of Directors	Dr. Carrie Milner	07-01-13 to 06-30-14
	Terry Terhune	07-01-14 to 06-30-15
	Dawn Puckett	07-01-15 to 06-30-16
	Dan Noel	07-01-16 to 06-30-17
	Bruce Bernhardt	07-01-17 to 06-30-18
	Greg Linton	07-01-18 to 06-30-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE AREA 30 CAREER CENTER, PUTNAM COUNTY, INDIANA

This report is supplemental to our audit report of the Area 30 Career Center (School Corporation), for the period from July 1, 2013 to June 30, 2017. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statements Audit Report of the School Corporation, which provides our opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

December 6, 2018

AREA 30 CAREER CENTER
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

The School Corporation had not designed or implemented proper segregation of duties related to receipts. One employee received collections, issued and recorded receipts, and deposited collections without evidence of review or oversight. There were no controls in place to ensure the accuracy and classification of the receipts recorded to the proper fund and account.

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

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

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

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

ADOPTION OF INTERNAL CONTROL STANDARDS

The School Corporation did not adopt Internal Control Standards in the audit period as required by state statute. The School Corporation adopted these standards on November 14, 2017.

Indiana 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."



To: State Board of Accounts- Idavid@sboa.in.gov

From: Lora Busch, Executive Director

Re: Area 30 Career Center Audit

Date: December 6, 2018

This is our official response to the results and comments of our audit report dated December 6, 2018. Regarding the tardy approval of the Internal Control Standards, we have accepted this and understand the controls were to be approved after June 30, 2016. Our Internal Controls were approved November 14, 2017. In regards to the proper segregation of duties related to receipts, we will make a change to our current process. Starting with the December 2018 Governing Board meeting, we will take a copy of the receipt edit report to the board for review and approval. This process was recommended by our auditor.

If you have any questions, please feel free to contact me at the phone number or email below.

Lora Busch- lbusch@area30.k12.in.us

Phone -765-653-3515 ext 2105

AREA 30 CAREER CENTER
EXIT CONFERENCE

The contents of this report were discussed on December 6, 2018, with Lora Busch, Executive Director; Cindy Burnham, Treasurer; and Greg Linton, President of the Board of Directors.