

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MADISON-GRANT UNITED SCHOOL CORPORATION

GRANT COUNTY, INDIANA

July 1, 2015 to June 30, 2017



FILED
02/01/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Rebecca Monroe Tarinna Morris	07-01-15 to 04-03-16 04-04-16 to 12-31-18
Superintendent of Schools	Steve Edwards (interim) Dr. Scott Deetz	07-01-15 to 12-31-15 01-01-16 to 06-30-19
President of the School Board	Ann Presnall Aaron Caudell	04-11-15 to 02-21-16 02-22-16 to 12-31-18



STATE OF INDIANA
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TO: THE OFFICIALS OF THE MADISON-GRANT UNITED SCHOOL CORPORATION, GRANT COUNTY, INDIANA

This report is supplemental to our audit report of the Madison-Grant United School Corporation (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

December 17, 2018

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2017-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

Condition

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's SEFA. The Treasurer prepared the federal award information and entered it into Gateway without a control in place to prevent, or detect and correct, errors prior to submission.

Context

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

Criteria

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

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

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. . . ."

Cause

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

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have occurred and remained undetected.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-002

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles

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): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

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

There was no procedure in place to ensure the accuracy of the Food Service Manager's timesheets maintained through the K-Time system.

The Food Service Director's salary is split between two school corporations - Eastbrook School Corporation and the School Corporation. The Eastbrook School Corporation invoices the School Corporation for 50 percent of the Food Service Director's salary, but the invoice for the audit period did not detail the time worked related to the School Corporation. There is no written contract or agreement between Eastbrook School Corporation and the School Corporation to substantiate this agreement.

Context

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

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

OMB Circular A-87, Attachment A, Part C states in part:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria: . . .

j. Be adequately documented. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

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); . . .

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

- (iv) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

Management had not developed or implemented 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 during the audit period.

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 2017-003

Subject: Child Nutrition Cluster - Equipment and Real Property Management

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): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

Audit Findings: Material Weakness, Other Matters

Condition

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

The School Corporation had not designed or implemented adequate internal controls to ensure that equipment purchases were included in the capital asset records or that equipment was adequately safeguarded. An effective oversight or review process had not been established.

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

The School Corporation did not adequately comply with the equipment compliance requirement. The list of equipment acquired with federal awards was determined to be inaccurate. There were instances in which the equipment listed in the equipment records could not be verified and not all disposals were recorded.

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 200.313 states in part:

". . . (b) . . . Other non-Federal entities must follow paragraphs (c) through (e) of this section. . . ."

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

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

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

(e) *Disposition.* When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

- (1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency. . . ."

Cause

Management had not developed or implemented a system of internal controls that would have ensured compliance with the Equipment and Real Property 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 Equipment and Real Property Management compliance requirement.

Questioned Costs

There were no questioned costs during the audit period.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Equipment and Real Property 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 2017-004

Subject: Child Nutrition Cluster - Cash Management, Program Income, and Reporting

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): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Program Income, Reporting

Audit Finding: Material Weakness

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Condition

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

Cash Management

The School Corporation had not designed or implemented adequate internal controls to ensure that the School Lunch fund monthly cash balances (net cash resources) were limited to three months average expenditures in compliance with the Cash Management requirements. There was no documentable oversight, review, or monitoring of the School Lunch fund cash balances.

Program Income

The School Corporation had not designed or implemented adequate internal controls to ensure that the food service collections were properly summarized and recorded in the School Lunch fund. There was no verification of the supporting documentation from the food service department to the program income recorded by the School Corporation.

Reporting

Annual Financial Report: The School Corporation had not designed or implemented adequate controls to ensure the accuracy of the Annual Financial Report. One employee was responsible for the input of the report, without oversight, review or approval, or other compensating control.

Verification Report: The School Corporation had not designed or implemented adequate controls to ensure the accuracy of the Verification Report. There was no documentable oversight or review of the Verification Report before it was submitted to Indiana Department of Education.

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:

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

(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

The School Corporation's management had not developed a system of internal controls to ensure compliance with the Cash Management, Program Income, and Reporting compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Cash Management, Program Income, and Reporting compliance requirements.

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 Cash Management, Program Income, 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.

FINDING 2017-005

Subject: Child Nutrition Cluster - Procurement and 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): FY 15-16, FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

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

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

The Food Service Director's salary is split between two school corporations - Eastbrook School Corporation and the School Corporation. The Eastbrook School Corporation invoices the School Corporation for 50 percent of the Food Service Director's salary. There is no written contract or agreement between Eastbrook School Corporation and the School Corporation to substantiate this agreement. The amount invoiced to the School Corporation for the Food Service Director's salary for the audit period was \$62,615.

The School Corporation did not perform the required Procurement and Suspension and Debarment procedures. The School Corporation was unable to provide documentation that any procurement processes were performed at the local level. Additionally, the School Corporation did not perform any of the required procedures to ensure that vendors were not suspended or debarred from participation in federal awards.

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

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

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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

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

7 CFR 3016.36 states in part:

". . . (b) *Procurement standards.*

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the 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, which would include segregation of duties, placed the School Corporation in noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs

There were no questioned costs identified.

MADISON-GRANT UNITED SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Recommendation

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



MADISON-GRANT UNITED SCHOOL CORPORATION

Scott Deetz, Ph.D., Superintendent
Steve Vore, Assistant Superintendent
Tarinna Morris, Director of Business Affairs

Kristy Drewitz, Transportation Coordinator/Business Assistant
Teresa Riggs, Payroll/Personnel Coordinator
Misty Skeens, HR/Benefits Coordinator

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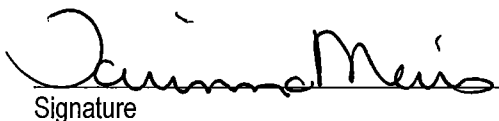
Finding 2017-001

Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director
Contact Phone Number: 765-948-4143

Views of Responsible Official: We concur with the finding.

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Repeat Finding

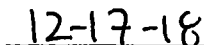
Description of Corrective Action Plan: A corrective action plan was created after the last audit for the period of July 1, 2013 to June 30, 2015. In the corrective action plan the Business Director was to complete the SEFA, verify the information and enter on the SEFA report. Prior to submission of the SEFA report, the Business Director was to give the SEFA report and supporting documentation to another staff member to review and verify for accuracy. This procedure was to begin with the SEFA completed after June 30, 2017. However; the SEFA for FY 16-17 was not reviewed by another staff member. The FY 17-18 SEFA was reviewed by another staff member, verified and signed off. This procedure will continue.



Signature



Title



Date

HOME OF THE ARGYLLS

Madison-Grant Administration Office

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MADISON-GRANT UNITED SCHOOL CORPORATION

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Kristy Drewitz, Transportation Coordinator/Business Assistant

Steve Vore, Assistant Superintendent

Teresa Riggs, Payroll/Personnel Coordinator

Tarinna Morris, Director of Business Affairs

Misty Skeens, HR/Benefits Coordinator

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Finding 2017-002

Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director

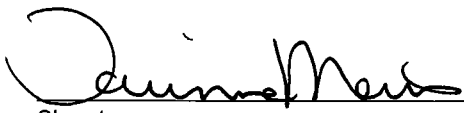
Contact Phone Number: 765-948-4143

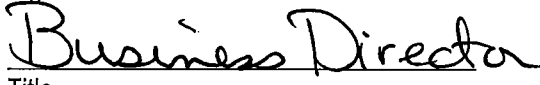
Views of Responsible Official: We concur with the finding.

Subject: Child Nutrition Cluster-Allowable Costs/Cost Principles

Description of Corrective Action Plan: During the audit period, the Food Service Director did not approve the Food Service Managers time sheets maintained through K-Time. Beginning February 2017 the Food Service Director approves the time sheets through K-Time for all food Service Managers.

Description of Corrective Action Plan: No written agreement or contract could be located by Eastbrook Community Schools or Madison-Grant United School Corporation in regard to splitting the expenses of a Food Service Director. Eastbrook Community Schools is working with their attorney to draft an agreement. When finalized, it will be given to Madison-Grant United School Corporation for review and for Board approval. This should be completed by February 28, 2019.



Signature


Title

12-17-18

Date

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MADISON-GRANT UNITED SCHOOL CORPORATION

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Steve Vore, Assistant Superintendent

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Tarinna Morris, Director of Business Affairs

Misty Skeens, HR/Benefits Coordinator

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Finding 2017-003

Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director

Contact Phone Number: 765-948-4143

Views of Responsible Official: We concur with the finding.

Subject: Child Nutrition Cluster-Equipment and Real Property Management

Description of Corrective Action Plan: An internal control has been created to ensure compliance with Federal Grants and the Equipment and Real Property Management compliance requirements. The internal control shall be approved by the Board of Education prior to February 28, 2019.

Signature

Title

12-17-18

Date

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MADISON-GRANT UNITED SCHOOL CORPORATION

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Finding 2017-004

Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director
Contact Phone Number: 765-948-4143

Views of Responsible Official: We concur with the finding

Subject: Child Nutrition Cluster-Activities Allowed or Unallowed, Cash Management, Program Income and Reporting

Description of Corrective Action Plan: During the audit period the Food Service Director did not approve the Food Service Managers time sheets maintained through K-Time. Beginning February 2017 the Food Service Director approves the time sheets through K-Time for all food Service Managers.

Description of Corrective Action Plan: During the audit period there were no internal controls to ensure the School Lunch fund monthly cash balances were limited to three months average expenditures. The Food Service Director will calculate the three month average expenditure at the end of each month to compare to the fund balance to ensure compliance. The report will be put with the end of the year records for auditing purposes. The Business Director will also check the three month average expenditure to the fund report as part of the end of the month process. Any concerns will be discussed with the Food Service Director.

Description of Corrective Action Plan: The Business Director or designee will run a report out of Meals Plus summarizing the collections for the week. The report will be compared to the weekly information the schools send to Central Office with their check. Any discrepancies will be corrected prior to entering into the financial software to ensure all collections are properly recorded in the School Lunch Fund. All documentation will be attached to the receipt for verification.

Description of Corrective Action Plan: A corrective action plan was created after the last audit for the period of July 1, 2013 to June 30, 2015. In the corrective action plan the Business Director was to complete the SEFA, verify the information and enter on the SEFA report. Prior to submission another staff member would verify for accuracy. Since the SEFA is part of the Annual Financial Report, the procedures for the SEFA will also be followed for the remainder of the Annual Financial Report. Prior to submission of the Annual Financial Report, the Business Director was to give the Annual Financial Report and supporting documentation to another staff member to review and verify for accuracy. This procedure was to begin with

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MADISON-GRANT UNITED SCHOOL CORPORATION

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the Annual Financial Report completed after June 30, 2017. However; the Annual Financial Report for FY 16-17 was not reviewed by another staff member. The FY 17-18 Annual Financial Report was reviewed, verified and signed off by another staff member. This procedure will continue.

Description of Corrective Action Plan: Prior to submission of the Verification Report the Food Service Director shall give the report and any supporting documentation to the Jr/Sr High Food Service Manager or Assistant Manager to verify the report for accuracy. Upon verification, the Food Service Manager or Assistant Manager will sign off and date confirming the accuracy of the Verification Report.

Signature

Business Director

Title

12-17-18

Date

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MADISON-GRANT UNITED SCHOOL CORPORATION

Scott Deetz, Ph.D., Superintendent
Steve Vore, Assistant Superintendent
Tarinna Morris, Director of Business Affairs

Kristy Drewitz, Transportation Coordinator/Business Assistant
Teresa Riggs, Payroll/Personnel Coordinator
Misty Skeens, HR/Benefits Coordinator

Connecting and engaging as lifelong learners in an evolving digital world.

Finding 2017-005


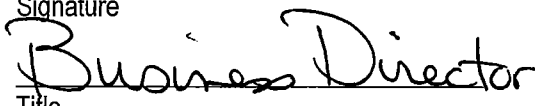
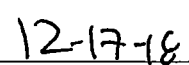
Contact Person Responsible for Corrective Action: Tarinna Morris, Business Director
Contact Phone Number: 765-948-4143

Views of Responsible Official: We concur with the finding

Subject: Child Nutrition Cluster-Procurement Suspension and Debarment

Description of Corrective Action Plan: No written agreement or contract could be located by Eastbrook Community Schools or Madison-Grant United School Corporation in regard to splitting the expenses of a Food Service Director. Eastbrook Community Schools is working with their attorney to draft an agreement. When finalized, it will be given to Madison-Grant United School Corporation for review and Board approval. This should be completed by February 28, 2019.

Description of Corrective Action Plan: An internal control was adopted by the Board of Education on August 6, 2018 in regard to the requirements of Procurement and Suspension and Debarment. As of December 17, 2018 all documentation will be kept when a vendor has been checked to see if they have been suspended or debarred.


Signature

Title

Date

MADISON-GRANT UNITED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2018, with Dr. Scott Deetz, Superintendent of Schools; Steve Vore, Assistant Superintendent of Schools; Tarinna Morris, Treasurer; and Aaron Caudell, President of the School Board.