

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

MACONAQUAH SCHOOL CORPORATION

MIAMI 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	Tina Bonifant	07-01-15 to 06-30-19
Superintendent of Schools	Dr. Douglas Arnold Dr. James Callane (interim) Dr. James Callane	07-01-15 to 05-31-18 06-01-18 to 06-30-18 07-01-18 to 06-30-19
President of the School Board	David Scheblo Christy Householder Robert Daine	01-01-15 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MACONAQUAH SCHOOL CORPORATION, MIAMI COUNTY, INDIANA

This report is supplemental to our audit report of the Maconaquah 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 11, 2018

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS

FINDING 2017-001

Subject: Child Nutrition Cluster - Cash Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Cash Management
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat of Finding 2015-002 from the immediately prior audit.

Condition

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

The School Corporation had not established controls to ensure that the School Lunch fund balance (net cash resources) was less than or equal to three months average expenditures. During the last three months of the audit period, the ending cash balances exceeded the three months average expenditures and the School Corporation did not have a spend-down plan in place with the Indiana Department of Education.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period. The non-compliance occurred during the last three months 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). . . ."

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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 resource 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 enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the 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 - Procurement
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 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 of Finding 2015-002 from the immediately prior audit.

MACONAQUAH 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 procurement requirements.

The School Corporation was a member of a cooperative food purchasing service (cooperative). The cooperative did the bidding for bread and dairy. However, the School Board did not review and approve the bread and dairy bids from the cooperative.

The School Corporation had three vendors during the audit period, which met the requirements for the small purchase method for which no documentation of quotes was provided.

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. . . ."

(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. . . ."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the procurement requirements.

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

FINDING 2017-003

Subject: National School Lunch Program - Special Tests and Provisions - Paid Lunch Equity
Federal Agency: Department of Agriculture
Federal Program: National School Lunch Program
CFDA Number: 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Findings: Material Weakness, Other Matters

Condition

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

The School Corporation completed the annual Paid Lunch Equity calculation using the state's online template; however, these Paid Lunch Equity calculations were not used to increase meal prices correctly. Lunch prices at Maconaquah Elementary and Pipe Creek Elementary during the 2015-2016 school year were increased five cents and should have been increased the required ten cents over the prior year.

Context

The lack of controls and noncompliance occurred during the 2015-2016 school year.

MACONAQUAH 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). . . ."

7 CFR 210.14(e) states in part:

"*Pricing paid lunches.* For each school year beginning July 1, 2011, school food authorities shall establish prices for paid lunches in accordance with this paragraph.

(1) *Calculation procedures.* Each school food authority shall:

(i) Determine the average price of paid lunches. The average shall be determined based on the total number of paid lunches claimed for the month of October in the previous school year, at each different price charged by the school food authority.

(ii) Calculate the difference between the per meal Federal reimbursement for paid and free lunches received by the school food authority in the previous school year (*i.e.*, the reimbursement difference);

(iii) Compare the average price of a paid lunch under paragraph (e)(1)(i) of this section to the difference between reimbursement rates under paragraph (e)(1)(ii) of this section. . . .

(3) *Average lunch price is lower than the reimbursement difference.* When the average price from the prior school year is lower than the difference in reimbursement rates as determined in paragraph (e)(1)(iii) of this section, the school food authority shall establish an average price for the current school year that is not less than the average price charged in the previous school year as adjusted by a percentage equal to the sum obtained by adding:

(i) 2 percent; and

(ii) The percentage change in the Consumers Price Index for All Urban Consumers used to increase the Federal reimbursement rate under section 11 of the Act for the most recent school year for which data are available. The percentage to be used is found in the annual notice published in the FEDERAL REGISTER announcing the national average payment rates, from the prior year.

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

(4) *Price Adjustments.*

(i) *Maximum required price increase.* The maximum annual average price increase required under this paragraph shall not exceed ten cents.

(ii) *Rounding of paid lunch prices.* Any school food authority may round the adjusted price of the paid lunches down to the nearest five cents.

(iii) *Optional price increases.* A school food authority may increase the average price by more than ten cents. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Paid Lunch Equity compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Paid Lunch Equity 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 - Equipment and Real Property Management
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2016, FY 2017
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.

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

The School Corporation did not maintain adequate equipment records that included a description of the equipment, a serial number or other identification number, the acquisition date, cost of the equipment, and any ultimate disposition data including the date of disposal.

The School Corporation's capital asset inventory was conducted by an outside vendor, but was not reviewed to ensure accuracy. The latest inventory date, June 30, 2017, did not include all cafeteria equipment purchased during the audit period. Per the School Corporation's Accounting System for Assets Policy, all equipment that cost at least \$3,000 should have been included in the property records and physical inventory. During a review of inventory management of equipment acquired under federal awards, four equipment purchases were identified that exceeded the capitalization threshold and were not included in the property records or physical inventory.

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 200.313(d) states in part:

"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.

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

- (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. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the equipment management requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the equipment management 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 - Reporting
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Numbers): FY 2016
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-002 from the immediately prior audit.

Condition

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

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

The Food Service Director prepared and submitted the Sponsor Claim (claims for reimbursement) reports with no subsequent review to determine if the reports were accurate during the 2015-2016 school year. The Treasurer began reviewing the reports in August of 2016.

Context

The lack of controls was a systemic issue throughout the first year of the audit period, but was corrected for the second 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). . . ."

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 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.

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

Auditor's Response

We acknowledge that, due to the timing of the prior audit, the School Corporation did not have time to correct the issue before the beginning of the current audit period; however, we are required to report the lack of controls and the noncompliance, which did occur within the current audit period. The School Corporation is credited with correcting the issue as described in the *Context*.

FINDING 2017-006

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 Number and Year (or Other Identifying Number): 15-5615
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-003 from the immediately prior audit.

Condition

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

The 2014-2015 Final Expenditure Report was prepared and submitted by the School Corporation Treasurer without review or oversight.

Context

The lack of controls was isolated to the 2015-2016 school year.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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 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.

Auditor's Response

We acknowledge that, due to the timing of the prior audit, the School Corporation did not have time to correct the issue before the beginning of the current audit period; however, we are required to report the control deficiency, which did exist within the current audit period. The School Corporation is credited with correcting the issue, as the *Context* indicates that the lack of controls was isolated to the first year of the audit period.

FINDING 2017-007

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): 15-5615, 16-5615, 17-5615

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

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

The School Corporation had not designed or implemented adequate policies and procedures to ensure that reasons for mobility reporting were supported by appropriate documentation.

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

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

MACONAQUAH SCHOOL CORPORATION
FEDERAL FINDINGS
(Continued)

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.

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Tina Bonifant, Treasurer
Contact Phone Number: 765-689-9131 x 1160
Contact Person Responsible for Corrective Action: Kim Lewis, Food Service Director
Contact Person Number: 765-689-9131 x 1900

Views of Responsible Official:
We concur with the finding.


Description of Corrective Action Plan:

The Maconaquah School Corporation has reviewed and discussed the above finding related to the audit for the year of July 1, 2015 – June 30, 2017.

The food service director will more closely monitor the school lunch fund balance and develop a spend-down plan when the ending cash balance exceeds the three-month average of expenditures.

The treasurer will also work closely with the food service director to monitor such balance.

Anticipated Completion Date: Immediate.



(Signature)

Treasurer/Business Manager

11/28/18

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Tina Bonifant, Treasurer
Contact Phone Number: 765-689-9131 x 1160
Contact Person Responsible for Corrective Action: Kim Lewis, Food Service Director
Contact Person Number: 765-689-9131 x 1900

Views of Responsible Official:
We concur with the finding.

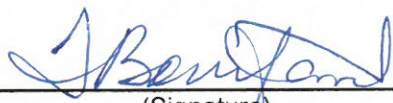
Description of Corrective Action Plan:

The Maconaquah School Corporation has reviewed and discussed the above finding related to the audit for the year of July 1, 2015 – June 30, 2017.

The food service director will ensure that the bidding of food purchasing goes before the School Board for review and approval.

The food service director shall also be more diligent of keeping any quote documentation for the small purchase method from an adequate number of qualified sources.

Anticipated Completion Date: Immediate.



(Signature)

Treasurer/Business Manager

11/28/18

CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Tina Bonifant, Treasurer
Contact Phone Number: 765-689-9131 x 1160
Contact Person Responsible for Corrective Action: Kim Lewis, Food Service Director
Contact Person Number: 765-689-9131 x 1900

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:


The Maconaquah School Corporation has reviewed and discussed the above finding related to the audit for the year of July 1, 2015 – June 30, 2017.

The Paid Lunch Equity calculation online template was used by the School Corporation, but the meal prices for Maconaquah Elementary and Pipe Creek Elementary were not increased correctly for the 2015-2016 school year.

The lunch prices have since been corrected.

The food service director shall provide the School Board with such calculations for review and approval to assist in maintaining internal control standards and reduce errors.

Anticipated Completion Date: Immediate.



(Signature)

Treasurer/Business Manager

11/28/18

CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Tina Bonifant, Treasurer
Contact Phone Number: 765-689-9131 x 1160
Contact Person Responsible for Corrective Action: Kim Lewis, Food Service Director
Contact Person Number: 765-689-9131 x 1900

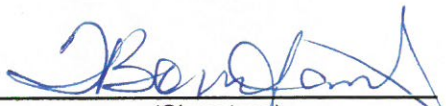
Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

The Maconaquah School Corporation has reviewed and discussed the above finding related to the audit for the year of July 1, 2015 – June 30, 2017.

The School Corporation uses an outside vendor to compile our information into a report format. We will work more closely together to ensure that the information provided is accurate and captures the equipment over the \$3,000 threshold.

Anticipated Completion Date: Immediate.



(Signature)

Treasurer/Business Manager

11/28/18

CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person Responsible for Corrective Action: Tina Bonifant, Treasurer
Contact Phone Number: 765-689-9131 x 1160
Contact Person Responsible for Corrective Action: Kim Lewis, Food Service Director
Contact Person Number: 765-689-9131 x 1900

Views of Responsible Official:

We disagree with the finding based on the fact that we were directed to implement further internal control procedures with the prior audit, which was put in place immediately moving forward. We did not go backward and apply signatures, which involves the first year report of this current audit period.

Description of Corrective Action Plan:

The Maconaquah School Corporation has reviewed and discussed the above finding related to the audit for the year of July 1, 2015 – June 30, 2017.

The treasurer and food service director have already developed a procedure that will help ensure that the lunch claims for reimbursements submitted are reviewed for accuracy and will continue this plan in the future. The review procedure is indicated by both the treasurer and food service director signing the reimbursement document.

Anticipated Completion Date: Immediate.


(Signature)

Treasurer/Business Manager

11/28/18

CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person Responsible for Corrective Action: Tina Bonifant, Treasurer

Contact Phone Number: 765-689-9131 x 1160

Contact Person Responsible for Corrective Action: Kelly McPike, Title I Director

Contact Phone Number: 765-689-9131 x 3000

Views of Responsible Official:

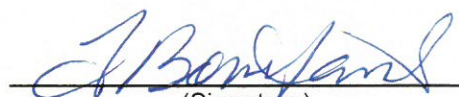
We disagree with the finding based on the fact that we were directed to implement further internal control procedures with the prior audit, which was put in place immediately moving forward. We did not go backward and apply signatures, which involves the first year report of this current audit period.

Description of Corrective Action Plan:

The Maconaquah School Corporation has reviewed and discussed the above finding related to the audit for the years July 1, 2015 – June 30, 2017, and we offer the following corrective action that has already been implemented:

To continue to properly follow the internal controls guidelines, the treasurer shall provide the Title I monthly expenditure report and cash reimbursement report and supporting documentation for review to help ensure that all information reported is correct to the best of our knowledge. The Title I director will acknowledge this review by signing the monthly reports. This proper oversight shall continue to minimize undetected errors.

Anticipated Completion Date: Immediate



(Signature)

Treasurer/ Business Manager
(Title)

11/28/18

CORRECTIVE ACTION PLAN

FINDING 2017-007

Contact Person Responsible for Corrective Action: Chad Carlson, Principal

Contact Phone Number: 765-689-9131 x 5000

Contact Person Responsible for Corrective Action: Tina Bonifant, Treasurer

Contact Phone Number: 765-689-9131 x 1160

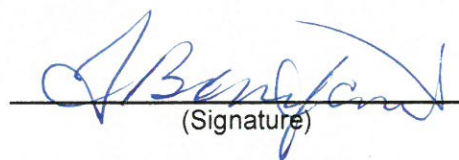
Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Maconaquah School Corporation has reviewed and discussed the above finding related to the audit for the year of July 1, 2015 – June 30, 2017.

The high school principal and/or high school guidance department will ensure that a second reviewer is signing and dating the supporting documentation when students are entering the school corporation or transferring out. This will help ensure that the information contained on the required reports is accurate and valid.

Anticipated Completion Date: Immediate.



(Signature)

Treasurer/Business Manager

11/28/18

MACONAQUAH SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2018, with Tina Bonifant, Treasurer; Dr. James Callane, Superintendent of Schools; and Robert Daine, President of the School Board.