

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

METROPOLITAN SCHOOL DISTRICT  
OF NORTH POSEY COUNTY  
POSEY COUNTY, INDIANA

July 1, 2016 to June 30, 2018



**FILED**  
03/22/2019



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Federal Finding: Finding 2018-001 Child Nutrition Cluster - Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP).....	4-5
Corrective Action Plan.....	6
Exit Conference.....	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carol A. Lupfer	01-01-16 to 12-31-19
Superintendent of Schools	Dr. Todd Camp	07-01-16 to 06-30-19
President of the School Board	Geoffrey A. Gentil Gregory U. Schmitt Geoffrey A. Gentil	01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT  
OF NORTH POSEY COUNTY, POSEY COUNTY, INDIANA

This report is supplemental to our audit report of the Metropolitan School District of North Posey County (School Corporation), for the period from July 1, 2016 to June 30, 2018. 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/](http://www.in.gov/sboa/).

The Federal Finding, identified in the above referenced audit report, is included in this report.

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

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

February 13, 2019

METROPOLITAN SCHOOL DISTRICT OF NORTH POSEY COUNTY  
FEDERAL FINDING

***FINDING 2018-001***

Subject: Child Nutrition Cluster - Reporting, Special Tests and Provisions -  
Verification of Free and Reduced Price Applications (NSLP)  
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 16/17, FY 17/18  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Reporting, Special Tests and Provisions - Verification  
of Free and Reduced Price Applications (NSLP)  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2016-002.

*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 and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

*Reporting*

The Monthly Sponsor Claims were prepared and submitted by one individual, without a documented oversight, review, or approval process.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)*

The verification of free and reduced price applications were completed by one individual, without a documented oversight, review, or approval process to ensure the accuracy.

*Context*

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

METROPOLITAN SCHOOL DISTRICT OF NORTH POSEY COUNTY  
FEDERAL FINDING  
(Continued)

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

Management had not developed a system of internal controls that provided proper oversight, reviews, and approvals over the compliance requirements listed above.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above.

*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 compliance requirements listed above.

*Views of Responsible Officials*

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

**Board of Education**  
Geoffrey A. Gentil  
Gregory U. Schmitt  
Amy J. Will  
Vincent F. Oakley  
Brett A. Stock

**Board Attorney**  
William H. Bender

# Metropolitan School District of North Posey County

101 N. Church Street  
Poseyville, IN 47633  
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www.northposey.k12.in.us

**Todd E. Camp**  
Superintendent  
**Angela J. Wannemuehler**  
Asst. Superintendent of Curriculum  
**Carol A. Lupfer**  
Financial Officer  
**Jayme L. Bender**  
Deputy Treasurer  
**Amy D. Motz**  
Human Resource Officer

## CORRECTIVE ACTION PLAN

### **FINDING 2018-001**

Contact Person Responsible for Corrective Action: **Dr. Todd Camp, Superintendent**  
Contact Phone Number: **812-874-2243**

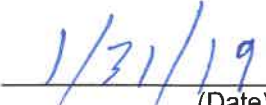
**Views of Responsible Official:** We concur with the finding that there were ineffective internal controls with the Reporting and Special Tests and Provision – Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

**Description of Corrective Action Plan:** Procedures for Free and Reduced Price Applications will include additional steps to verify their accuracy. The Director will review and enter the applications into the student data system and/or point of service system. The ECA treasurer will verify the data entry of the director by a signature/initials on the application. There will be a designated administrator to verify more than the state required minimum applications. Upon receipt of direct verification documents, the administrator and director will review for qualification. The administrator and director will each sign the notice of verification. A copy of the notice of verification to applicant will be retained for the internal controls / audit process.

**Anticipated Completion Date:** These procedures will be effective with the 2018/2019 school year.

  
\_\_\_\_\_  
(Signature)

  
\_\_\_\_\_  
(Title)

  
\_\_\_\_\_  
(Date)

METROPOLITAN SCHOOL DISTRICT OF NORTH POSEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on February 13, 2019, with Dr. Todd Camp, Superintendent of Schools; Carol A. Lupfer, Treasurer; and Geoffrey A. Gentil, President of the School Board.