

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

NEW ALBANY-FLOYD COUNTY  
CONSOLIDATED SCHOOL DISTRICT  
FLOYD COUNTY, INDIANA

July 1, 2016 to June 30, 2018



**FILED**  
03/28/2019



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Federal Findings:	
Finding 2018-001	
Financial Transactions and Reporting .....	4-5
Finding 2018-002	
Career and Technical Education -- Basic Grants to States - Procurement and Suspension and Debarment .....	6-8
Finding 2018-003	
Career and Technical Education -- Basic Grants to States - Equipment.....	8-10
Finding 2018-004	
Child Nutrition Cluster - Reporting .....	10-12
Finding 2018-005	
Child Nutrition Cluster - Equipment.....	12-14
Corrective Action Plan.....	15-19
Exit Conference.....	20

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Fred McWhorter II	07-01-16 to 07-31-17
	Dwight Beall (interim)	08-01-17 to 10-01-17
	Chris Street	10-02-17 to 06-30-19
Superintendent of Schools	Dr. Bruce A. Hibbard	07-01-16 to 06-30-17
	Dr. Bradley J. Snyder (interim)	07-01-17 to 01-28-18
	Dr. Bradley J. Snyder	01-29-18 to 12-31-20
President of the School Board	Rebecca Gardenour	01-01-16 to 12-31-17
	Jenny Higbie	01-01-18 to 12-31-18
	Elizabeth Galligan	01-01-19 to 12-31-19



**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](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE NEW ALBANY-FLOYD COUNTY CONSOLIDATED  
SCHOOL CORPORATION, FLOYD COUNTY, INDIANA

This report is supplemental to our audit report of the New Albany-Floyd County Consolidated School Corporation (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 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

March 13, 2019

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS

***FINDING 2018-001***

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat of Finding 2016-001 from the immediately prior audit.

*Condition*

The School Corporation did not have sufficient internal controls in place to ensure all financial transactions of the School Corporation had been properly recorded in the School Corporation's records.

The Payroll Deduction Clearing Bank Account was used to disburse employee withholding to payroll vendors using an electronic payment method (ACH) that did not require checks. These amounts were set up in the payroll system as payroll direct deductions. The deductions for Health Savings Accounts (HSA) were not posted to the clearing accounts in the School Corporation's financial records. The deductions did not appear on the School Corporation's vendor history reports, revenue reports, or expense reports, and the deductions were not approved by the School Board. The unrecorded deductions totaled \$1,035,092 and \$1,096,982 for fiscal years 2016-2017 and 2017-2018, respectively.

Adjustments for the transactions noted above were proposed, accepted by the School Corporation, and made to the financial statement.

*Context*

This was a systemic problem. The HSA withholdings were not posted to the School Corporation's financial records for the entire 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. . . .

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

- Accurate and timely recording of transactions. . . ."

Indiana Code 5-11-10-1.6(c) states in part:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payments of the claim. . . ."

Clearing accounts serve as control accounts for certain areas of the accounting system. Therefore, they must be supported by receipt and disbursement entries in the general ledger and subsidiary ledgers or other supporting records. The clearing accounts are subsidiary records only and should not be used in lieu of proper and prescribed reporting or receipts, disbursements and balances of funds of the school corporation in accordance with IC 5-11-1-2. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 7)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

*Cause*

Management of the School Corporation had not established a proper system of internal control.

*Effect*

The failure to establish controls enabled misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting.

*Views of Responsible Officials*

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

***FINDING 2018-002***

Subject: Career and Technical Education -- Basic Grants to States -  
Procurement and Suspension and Debarment  
Federal Agency: Department of Education  
Federal Program: Career and Technical Education -- Basic Grants to States  
CFDA Number: 84.048  
Federal Award Numbers and Years (or Other Identifying Numbers): 15-4700-2400, 16-4700-2400,  
17-4700-2400  
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 2016-009 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 Procurement and Suspension and Debarment compliance requirement.

The School Corporation's internal controls were not effective in ensuring the purchasing method used complied with 2 CFR 200.320. Additionally, the School Corporation did not present evidence that an adequate number of quotes were obtained for small purchases with estimated costs between \$3,500 and \$150,000.

The School Corporation's purchasing policy indicated that the School Corporation would check the subcontractors to ensure that they were not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State of Indiana; however, the School Corporation did not have procedures in place to ensure that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction with them.

*Context*

The lack of effective internal controls over Procurement and Suspension and Debarment was a systemic problem during the entire audit period.

Documentation was not presented that would indicate that an adequate number of price or rate quotations was requested for small purchases.

There were three contracts during the audit period that exceeded \$25,000; however, the School Corporation did not verify that the vendors were not suspended or debarred prior to awarding these contracts for covered transactions.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(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). . . ."

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. . . ."

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 of the School Corporation had not thoroughly trained employees on its system of internal controls regarding procurement and suspension and debarment that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to thoroughly train employees on the School Corporation's internal controls caused the School Corporation to be in noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Recommendation*

We recommended that School Corporation's management train applicable employees on procedures and controls that have been designed 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 2018-003**

Subject: Career and Technical Education -- Basic Grants to States - Equipment

Federal Agency: Department of Education

Federal Program: Career and Technical Education -- Basic Grants to States

CFDA Number: 84.048

Federal Award Numbers and Years (or Other Identifying Numbers): 15-4700-2400, 16-4700-2400,  
17-4700-2400

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 requirements.

The School Corporation did not ensure that a physical inventory was performed and reconciled with the equipment records every two years. Additionally, proper equipment records were not kept in accordance with 2 CFR 200.313.

*Context*

The School Corporation's failure to comply with the Equipment and Real Property Management compliance requirement was a systemic issue. The School Corporation did not provide documentation that a physical inventory was performed at any time during the audit period for equipment purchased with program funds. Additionally, the equipment records maintained by the School Corporation did not include the location, use and condition of the property, or any ultimate disposition data including the date of disposal and sale price of the property.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(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). . . ."

2 CFR 200.313(d) states:

*"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."

*Cause*

The School Corporation had not thoroughly trained employees on its system of internal controls regarding equipment that would have ensured compliance with the Equipment and Real Property Management compliance requirement.

*Effect*

The failure to thoroughly train employees on the School Corporation's internal controls caused the School Corporation to be in noncompliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that School Corporation's management adequately train applicable employees on procedures and controls that have been designed 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 2018-004**

Subject: Child Nutrition Cluster - 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 Number and Year (or Other Identifying Number): 2400

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat of Finding 2016-003 from the immediately prior report.

*Condition*

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

No evidence was presented for audit that indicated that someone other than the preparer of the Annual Financial Reports (AFR) and the School Food Authority Verification Summary Reports was reviewing these reports for accuracy prior to submission.

The beginning balance, income, and expenses reported on the AFR did not agree with the amounts shown on the School Corporation's funds ledger. As a result, the ending balance reported on the AFR did not agree with the ending balance of the School Lunch fund on the School Corporation's financial records. The ending balances reported on the AFR were \$200,328 and \$219,195 more than the fund ledger balances at June 30, 2017, and June 30, 2018, respectively.

Some of the key line items on the Verification Summary Report for fiscal year 2017-2018 did not agree to the supporting documentation as follows:

1. Part 8A.3 "responded changed to paid" per report shows two applications and eight students. This included an application in which the verification listing shows Free-categorical both before and after verification.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

2. Part 8A.3 responded changed to paid per report shows eight students, but the results by student contains seven.
3. Part 8B.4 "Not responded" per report shows 34 applications, but summary of results by student indicates 35. This causes the total number of applications reported to disagree with the total number contained in the supporting documentation.

*Context*

The lack of internal controls was a systemic problem for the entire audit period. Noncompliance with the AFR was a systemic problem for the entire audit period; however, noncompliance with the Verification Summary Report was only a problem during fiscal year 2017-2018.

*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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:  
. . .

- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . .
- (3) 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. . . ."

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

Indiana Department of Education's CNP Web Resources - SNP *General Instructions*:

*Annual Financial Report* states:

"All data reported is on a School Food Authority basis. It should include all financial transactions from July 1 through June 30, thereby accurately reflecting the financial position of the School Food Service Fund as of June 30. Accurate supporting documentation must be maintained by appropriate accounting officials whether consolidated Corporation-level accounting is used, or one or more Extra-Curricular accounts at separate schools are used.  
. . .

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

The income total and expense total boxes should agree exactly with total revenues and total expenditures recorded in the SFA's accounting records. All expenses need to be allocated appropriately to all existing programs. . . ."

7 CFR 245.6a(h) states in part:

*"Verification reporting and recordkeeping requirements.* By February 1, each local educational agency must report information related to its annual statutorily required verification activity, which excludes verification conducted in accordance with paragraph (c)(7) of this section, to the State agency in accordance with guidelines provided by FNS. . . . All verified applications must be readily retrievable on an individual school basis and include all documents submitted by the household for the purpose of confirming eligibility, reproductions of those documents, or annotations made by the determining official which indicate which documents were submitted by the household and the date of submission. All relevant correspondence between the households selected for verification and the school or local educational agency must be retained. Local educational agencies are encouraged to collect and report any or all verification data elements before the required dates."

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected, which 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, including segregation of duties, related to the grant agreement and the compliance requirement listed above.

*Views of Responsible Officials*

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

**FINDING 2018-005**

Subject: Child Nutrition Cluster - Equipment

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 Number and Year (or Other Identifying Number): 2400

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Equipment and Real Property Management

Audit Findings: Material Weakness, Other Matters

NEW ALBANY-FLOYD COUNTY CONSOLIDATED 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 equipment compliance requirements.

None of the equipment acquired under the grant was properly recorded in the property records. Based on equipment purchases, the School Corporation acquired \$75,299 in equipment during the audit period attributed to the School Lunch fund. The School Corporation provided two property record listings, but neither listing contained the referenced equipment acquisitions. Of the two property record listings, one was a comprehensive listing of all the property in the School Corporation. In addition to omitting the referenced equipment acquisitions, this listing also did not indicate the fund or funds used to acquire property.

*Context*

The lack of documentation of equipment acquired using the School Lunch fund was a systemic problem 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(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. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured the proper recording of equipment acquired with programs funds in the property records of the School Corporation.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Effect*

The failure to establish internal controls caused the School Corporation to be in noncompliance with the Equipment and Real Property Management compliance requirement.

*Questioned Costs*

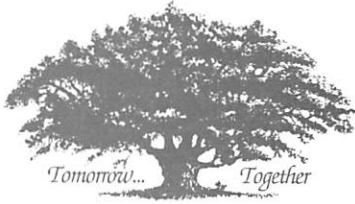
There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls related to the grant agreement and the 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.



**NEW ALBANY FLOYD COUNTY SCHOOLS**

Administrative Services Center  
2813 Grant Line Road  
P.O. Box 1087  
New Albany, IN 47151-1087  
(812) 949-4200  
Fax (812) 542-4743  
www.nafcs.org

Bradley J. Snyder  
Superintendent

BOARD OF SCHOOL  
TRUSTEES

- Elizabeth Galligan  
President
- Jenny Higbie  
Vice President
- Elaine Murphy  
Secretary
- Joseph L. Brown  
Member
- Donna Corbett  
Member
- Rebecca Gardenour  
Member
- Lee Ann Wiseheart  
Member

**CORRECTIVE ACTION PLAN**

***FINDING 2018-001***

Contact Person Responsible for Corrective Action: Chris Street  
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the findings.

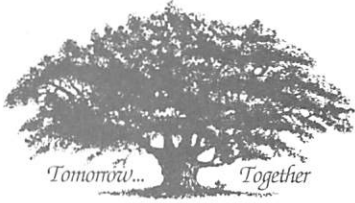
Description of Corrective Action Plan: The Corporation did not record Health Savings Account ("H.S.A.") withholdings correctly in the ledger. When the method of dispersing the money was changed to direct deposit, the Corporation did not apply the correct accounting procedure. The first effort to correct the issue was not successful under the old software system. The Corporation Deputy Treasurer has correctly implemented an accounting procedure that ensures the direct deposit transaction is correctly reflected on the Corporation ledger similar to how other withholdings are recorded correctly.

Anticipated Completion Date: Immediately

Chris Street  
(Signature)

CBO  
(Title)

3-13-19  
(Date)



# NEW ALBANY FLOYD COUNTY SCHOOLS

Administrative Services Center  
2813 Grant Line Road  
P.O. Box 1087  
New Albany, IN 47151-1087  
(812) 949-4200  
Fax (812) 542-4743  
www.nafcs.org

Bradley J. Snyder  
Superintendent

## BOARD OF SCHOOL TRUSTEES

- Elizabeth Galligan  
President
- Jenny Higbie  
Vice President
- Elaine Murphy  
Secretary
- Joseph L. Brown  
Member
- Donna Corbett  
Member
- Rebecca Gardenour  
Member
- Lee Ann Wiseheart  
Member

## CORRECTIVE ACTION PLAN

### ***FINDING 2018-002***

Contact Person Responsible for Corrective Action: Chris Street  
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the findings.

Description of Corrective Action Plan: The Corporation did not have adequate internal controls over small purchases to ensure three quotes for amounts over \$3,500 or the ensure that subcontractors were not presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State of Indiana. The Corporation did not have time in this audit period based on the guidance from the prior audit to ensure compliance of these requirements. The Corporation now has an updated policy to ensure federal purchasing compliance.

Anticipated Completion Date: Immediately

*Chris Street*

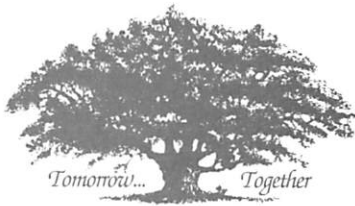
\_\_\_\_\_  
(Signature)

*CBO*

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

*3-13-19*

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



**NEW ALBANY FLOYD COUNTY SCHOOLS**

Administrative Services Center  
2813 Grant Line Road  
P.O. Box 1087  
New Albany, IN 47151-1087  
(812) 949-4200  
Fax (812) 542-4743  
www.nafcs.org

Bradley J. Snyder  
Superintendent

BOARD OF SCHOOL  
TRUSTEES

- Elizabeth Galligan  
President
- Jenny Higbie  
Vice President
- Elaine Murphy  
Secretary
- Joseph L. Brown  
Member
- Donna Corbett  
Member
- Rebecca Gardenour  
Member
- Lee Ann Wiseheart  
Member

**CORRECTIVE ACTION PLAN**

***FINDING 2018-003***

Contact Person Responsible for Corrective Action: Chris Street  
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the findings.

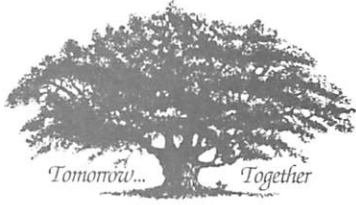
Description of Corrective Action Plan: The Corporation did not ensure that inventory was taken and reconciled every two years regarding equipment purchased with CTE program funds. The program director and office staff will maintain the required inventory listing and reconcile every two years moving forward.

Anticipated Completion Date: Immediately

Chris Street  
(Signature)

CBO  
(Title)

3-13-19  
(Date)



**NEW ALBANY FLOYD COUNTY SCHOOLS**

Administrative Services Center  
2813 Grant Line Road  
P.O. Box 1087  
New Albany, IN 47151-1087  
(812) 949-4200  
Fax (812) 542-4743  
www.nafcs.org

Bradley J. Snyder  
Superintendent

BOARD OF SCHOOL  
TRUSTEES

- Elizabeth Galligan  
President
- Jenny Higbie  
Vice President
- Elaine Murphy  
Secretary
- Joseph L. Brown  
Member
- Donna Corbett  
Member
- Rebecca Gardenour  
Member
- Lee Ann Wiseheart  
Member

CORRECTIVE ACTION PLAN

**FINDING 2018-004**

Contact Person Responsible for Corrective Action: Chris Street  
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the findings.

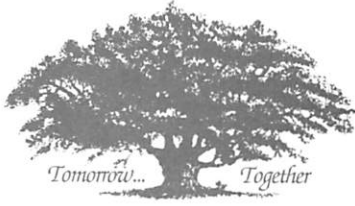
Description of Corrective Action Plan: The Corporation did not have an effective internal control in place to ensure that Annual Financial Reports and Verification Summary Reports were reviewed by someone other than the preparer. The Corporation requires secondary review and two signatures on all federal reports.

Anticipated Completion Date: Immediately

Chris Street  
(Signature)

CBO  
(Title)

3-13-19  
(Date)



**NEW ALBANY FLOYD COUNTY SCHOOLS**

Administrative Services Center  
2813 Grant Line Road  
P.O. Box 1087  
New Albany, IN 47151-1087  
(812) 949-4200  
Fax (812) 542-4743  
www.nafcs.org

Bradley J. Snyder  
Superintendent

BOARD OF SCHOOL  
TRUSTEES

- Elizabeth Galligan  
President
- Jenny Higbie  
Vice President
- Elaine Murphy  
Secretary
- Joseph L. Brown  
Member
- Donna Corbett  
Member
- Rebecca Gardenour  
Member
- Lee Ann Wiseheart  
Member

CORRECTIVE ACTION PLAN

**FINDING 2018-005**

Contact Person Responsible for Corrective Action: Chris Street  
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

Description of Corrective Action Plan: The Corporation did not have an effective internal control in place to ensure compliance of inventory records related to equipment purchased with the grant. The Corporation has a system in place to record all inventory purchased with federal dollars and for it to be reconciled every two years.

Anticipated Completion Date: Immediately

Chris Street  
(Signature)

CFO  
(Title)

3-13-19  
(Date)

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 13, 2019, with Chris Street, Treasurer; Dr. Bradley J. Snyder, Superintendent of Schools; Joseph Brown, School Board member; and Elizabeth Galligan, President of the School Board.