

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PLAINFIELD COMMUNITY SCHOOL CORPORATION

HENDRICKS COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
04/17/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stacey D. Smith	07-01-16 to 06-30-19
Superintendent of Schools	Scott Olinger	07-01-16 to 06-30-19
President of the School Board	Scott Flood Michael Allen Jessica Elston Scott Flood	01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19



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TO: THE OFFICIALS OF THE PLAINFIELD COMMUNITY SCHOOL
CORPORATION, HENDRICKS COUNTY, INDIANA

This report is supplemental to our audit report of the Plainfield Community 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/.

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

April 4, 2019

PLAINFIELD COMMUNITY SCHOOL CORPORATION
FEDERAL FINDING

FINDING 2018-001

Subject: Child Nutrition Cluster - Cash Management, 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): SY2016-17, SY2017-18

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Reporting

Audit Finding: Material Weakness

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 following compliance requirements:

Cash Management

There were no controls in place to ensure that the School Lunch fund monthly cash balances (net cash resources) were limited to the three months average expenditures in accordance with the Cash Management compliance requirement. A worksheet was maintained by the Treasurer to review cash balances each month, but was performed without an oversight, review, or approval process to ensure compliance with cash management requirements.

Reporting

There were no controls in place to ensure that the Monthly Sponsor Claim for Reimbursement reports and the Verification Summary Reports were accurate. One employee completed and submitted the reports without an oversight, review, or approval process to ensure the accuracy of the reports.

Context

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

Criteria

2 CFR 200.303 states in part:

PLAINFIELD COMMUNITY SCHOOL CORPORATION
FEDERAL FINDING
(Continued)

"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 to ensure compliance with the grant agreement, the Cash Management compliance requirement, and the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the School Corporation at risk of noncompliance with the grant agreement, the Cash Management compliance requirement, and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance with the grant agreement, the Cash Management compliance requirement, 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.



Plainfield Community School Corporation
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April 4, 2019

RE: Section III – Federal Award Findings and Questioned Costs

FINDING 2018 - 001 – INTERNAL CONTROL OVER CHILD NUTRITION CLUSTER

Contact Person: Stacey Smith
Contact Number: 317-839-2578
Anticipated Completion Date: April 2019

CORRECTIVE ACTION PLAN

Views of the Responsible Official - We agree with the finding.

Cash Management - Plainfield Community School Corporation will implement a proper system to verify monthly the child nutrition fund cash balance does not exceed the three-month average expenditure requirement. The Corporation Treasurer will calculate and provide the information to the Food Service Director to review and initial as well.

The internal control procedures will be implemented in April 2019 for all Cash Management Reports.

Reporting – The Food Service Director will complete the Monthly Sponsor Claim for Reimbursement Reports and the Verification Summary Reports and have either the Assistant Food Service Director or Corporation Treasurer verify and initial the reports before submitting.

The internal control procedure will be implemented in April 2019 for all Reporting.

Signed Stacey Smith
Titled Corporation Treasurer
Date April 4, 2019



PLAINFIELD COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 4, 2019, with Stacey D. Smith, Treasurer; Scott Olinger, Superintendent of Schools; Scott Flood, President of the School Board; Jud Wolfe, Assistant Superintendent of Finance and Operations; and Jessica Elston, School Board member.