

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

UNION COUNTY COLLEGE CORNER
JOINT SCHOOL DISTRICT
UNION COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
04/30/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jennifer Blakley	07-01-16 to 06-30-19
Superintendent of Schools	Dr. Zach Rozelle Al Sustarsic (acting) Lynn Sheets (interim) Joe Backmeyer Christopher Winchell	07-01-16 to 11-14-16 11-15-16 to 06-30-17 11-15-16 to 01-31-17 02-01-17 to 06-30-17 07-01-17 to 06-30-19
President of the School Board	Mike Murray Mary Eversole	01-01-16 to 12-31-18 01-01-19 to 12-31-19



STATE OF INDIANA
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TO: THE OFFICIALS OF THE UNION COUNTY COLLEGE CORNER
JOINT SCHOOL DISTRICT, UNION COUNTY, INDIANA

This report is supplemental to our audit report of the Union County College Corner Joint School District (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 3, 2019

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
FEDERAL FINDING

FINDING 2018-001

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 Numbers and Years (or Other Identifying Numbers): FY16, FY17, FY18
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-005.

Condition

An effective internal control system, which would include segregation of duties, 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 had not established a system of internal controls over the Special Tests and Provisions - Paid Lunch Equity compliance requirement. One employee performed all procedures related to the paid lunch equity calculations without any oversight, review, or approval process to ensure its accuracy.

Context

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

Criteria

2 CFR section 200.303 states in part:

"The non-Federal entity must:

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
FEDERAL FINDING
(Continued)

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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 grant agreement and the Special Tests and Provisions - Paid Lunch Equity 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 - Paid Lunch Equity compliance requirement. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, or approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls related to 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, which is part of this report.

Christopher Winchell, Superintendent
Jennifer Blakley, Treasurer
Debbie Blevins, Payroll Clerk
Linda Hufferd, Administrative Assistant



Jim Migoski, IT Director
Joe Elleman, Transportation Director
Jeff Cerqua, Maintenance Director

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Jennifer Blakley
Contact Phone Number: 765-458-7471

Views of Responsible Official:

- Based on the SBOA Audit findings we recognize the expectation of the SBOA based on Indiana Code for the establishment and execution of internal controls. We do not believe that any funds have been mishandled, nor do we believe that any procedural efforts have been purposefully neglected. To the extent that it is possible in a small rural school corporation operating with limited staff we acknowledge and accept the expectations noted, and we have provide the following plan of action. In most situations the plan of action has already been implemented in some way shape or form since July 1, 2017. We will continue to work to improve these efforts with the guidance from the SBOA

Description of Corrective Action Plan:

- The Food Service Director will provide a handout to the Board each year regarding the paid lunch equity compliance requirement. The Food Service Director and the Corporation Treasurer will review the paid lunch equity calculations prior to taking the information to the Board. The Board will then review the documentation and will need to approve any pricing increase.

Anticipated Completion Date:

- This corrective action was completed in May, 2018.

Jennifer Blakley
(Signature)

Treasurer
(Title)

4-3-19
(Date)

UNION COUNTY COLLEGE CORNER JOINT SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on April 3, 2019, with Christopher Winchell, Superintendent of Schools; Jennifer Blakley, Treasurer; Mary Eversole, President of the School Board; Josh Garwood, Vice President of the School Board; Ben Caskey, School Board member; and Debbie Blevins, Deputy Treasurer.