

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

NORTH DAVIESS COMMUNITY SCHOOLS

DAVIESS COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
05/08/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Glenda O'Connor	07-01-16 to 12-31-19
Superintendent of Schools	Robert W. Bell	07-01-16 to 12-31-19
President of the School Board	Richard Woodruff Rob Dove	07-01-16 to 12-31-17 01-01-18 to 12-31-19



STATE OF INDIANA
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TO: THE OFFICIALS OF THE NORTH DAVIESS COMMUNITY
SCHOOLS, DAVIESS COUNTY, INDIANA

This report is supplemental to our audit report of the North Daviess Community Schools (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 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

April 15, 2019

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS

FINDING 2018-001

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed
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 Requirement: Activities Allowed or Unallowed
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 Activities Allowed or Unallowed compliance requirement.

The School Corporation had established the control that all school lunch employees' timesheets were reviewed and approved by a supervisor. However, of the six payroll distributions tested during the audit period, timesheets for the elementary lunch employees were not approved by a supervisor.

In addition, the review of fiscal year 2016-2017 payroll showed that a portion of two custodians' wages was paid from the School Breakfast and National School Lunch programs (school food service program). There was no breakdown on the employees' timesheets to show how much time was spent on school lunch duties versus other School Corporation duties during the pay period. There was no other documentation presented to support the portion paid from the school food service program.

Context

The lack of controls was a systemic issue throughout the audit period. Noncompliance was noted during 2016-2017 for two employees.

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). . . ."

7 CFR 210.14(a) states in part: ". . . Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, *except that*, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. . . ."

7 CFR 220.7(e)(1) states in part: "(ii) . . . use all revenues received by such food service only for the operation or improvement of that food service . . ."

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

Cause

Management had not developed an effective system of internal controls that would have ensured compliance with the Activities Allowed or Unallowed requirements identified above.

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 Activities Allowed or Unallowed 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 2018-002

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
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 Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system that would have ensured that expenditures were for allowable costs related to the grant agreement and the Allowable Cost/Cost Principles compliance requirement.

For those employees that were paid entirely from the school food service program, timesheets were being maintained. However, there was no signature of the immediate supervisor certifying that the work was performed by the Elementary lunch employees for fiscal year 2016-2017 and 2017-2018. No other periodic certifications were maintained that certified that employees worked solely on the program during the audit period.

During 2016-2017, there were two custodians that had a portion of their wages paid from the school food service program. The School Corporation did not provide documentation to support the portion of the wages that were charged to the program. Personnel activity reports were not being maintained for these employees. The total paid to these two employees during 2016-2017 was \$12,692 and have been determined to be questioned costs.

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

The review of 2017-2018 showed that the indirect cost rate that was used was the rate that had been established for 2016-2017 instead of the rate that had been established for 2017-2018, resulting in an overpayment of indirect costs from the school food service program of \$10,884. This amount has been determined to be a questioned cost.

Context

The lack of controls was a systemic issue for the audit period. Noncompliance, resulting in questioned costs, occurred during both years of 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 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.

These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

2 CFR 200, Appendix VII, paragraph D(2) states:

"The following must be included with each indirect cost proposal:

- a. The rates proposed, including subsidiary work sheets and other relevant data, cross referenced and reconciled to the financial data noted in subsection b. Allocated central service costs will be supported by the summary table included in the approved central

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

service cost allocation plan. This summary table is not required to be submitted with the indirect cost proposal if the central service cost allocation plan for the same fiscal year has been approved by the cognizant agency for indirect costs and is available to the funding agency.

- b. A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the Federal cognizant agency for indirect costs in a subsequent proposal.
- c. The approximate amount of direct base costs incurred under Federal awards. These costs should be broken out between salaries and wages and other direct costs.
- d. A chart showing the organizational structure of the agency during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency. (Once this is submitted, only revisions need be submitted with subsequent proposals.)"

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

Indiana Department of Education's *Frequently Asked Questions Related to Indirect Cost Rates* states:

"The Indirect Cost Rate calculated by the Office of School Finance sets the maximum rate a Local Education Agency can use. A Local Education Agency, however, is allowed to use any amount below the rate calculated by the Office of School Finance to the extent the funds are available."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles requirements identified above.

Effect

The failure to establish a system of internal controls 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

Known questioned costs of \$23,576 were identified in the *Condition*.

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles 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: Child Nutrition Cluster - Program Income

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 Requirement: Program Income

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 Program Income compliance requirement.

Meal prices were approved by the School Board for both years of the audit period, but actual adult tray prices charged did not agree with the approved prices in either year. The School Board approved adult tray lunch pricing of \$2.75 for fiscal year 2016-2017, but \$3 was actually charged beginning August 29, 2016. The School Board approved adult tray breakfast pricing and adult tray lunch pricing of \$1.75 and \$3, respectively, for 2017-2018, but the actual amounts charged for adult tray breakfast and adult tray lunch were \$1.60 and \$3.25, respectively.

Context

The lack of controls and noncompliance were systemic issues, which occurred 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). . . ."

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

2 CFR 200.307 states in part:

"Program income.

(a) *General.* Non-Federal entities are encouraged to earn income to defray program costs where appropriate. . . ."

The Indiana Department of Education has provided the following guidance to School Food Authorities in their document titled *Determining Adult Meals and Student Breakfast Prices*, ". . . **Adult meals:** Breakfasts and lunches served to adults must be priced so that the adult payment is sufficient to cover the overall cost of the lunch (or breakfast), including the value of any USDA entitlement and bonus donated foods used to prepare the meal. . . ."

Cause

Management had not developed or implemented a system of internal controls that would have ensured compliance with the grant agreement and Program Income 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 listed above could have resulted in the loss of 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 Program Income 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
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY 16-17
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Reporting compliance requirement.

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

There were no controls in place to ensure compliance with the Reporting requirement of the grant. There were no review procedures in place to verify that the correct reporting information was entered and reported. The School Corporation could not provide fiscal year 2016-2017 supporting documentation (Meal Count Reports) for the Monthly Sponsor Claims (claim for reimbursement).

Context

The School Corporation could not provide supporting documentation (Meal Count Reports) for the Monthly Sponsor Claims (claim for reimbursement) filed during 2016-2017.

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 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that documentation was maintained and made available for audit relating to the Reporting compliance requirement.

Effect

The failure to retain or provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with 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 that documentation is maintained and made available for audit relating to the Reporting compliance requirement.

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

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 - Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) and Special Tests and Provisions - Paid Lunch Equity

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 Number): FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), Special Tests and Provisions - Paid Lunch Equity

Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the requirements for the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NLSP) and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

The Verification Summary Report, Free and Reduced Price Applications, and Paid Lunch Equity report were not presented for audit for fiscal year 2016-2017. We were unable to determine if the School Corporation complied with these compliance requirements.

Context

The Verification Summary Report, Paid Lunch Equity Report, and Free and Reduced Price Applications supporting the Verification Summary Report were not provided for audit to determine if the School Corporation complied with the Special Tests and Provisions - Verification of Free and Reduced Price Application (NLSP) and Special Tests and Provisions - Paid Lunch Equity compliance requirements for 2016-2017.

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). . . ."

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that would have ensured that documentation was maintained and made available for audit relating to the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Effect

The failure to retain and provide appropriate supporting documentation prevented the determination of the School Corporation's compliance with the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure that documentation is maintained and made available for audit relating to the Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

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

FINDING 2018-006

Subject: Special Education Cluster (IDEA) - Suspension and Debarment

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-007-PN01, 14217-007-PN01,
45717-007-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

Repeat Finding

This is a repeat of Finding 2016-002 from the immediately prior audit.

Condition

The School Corporation was a member of the Daviess-Martin Special Education Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds. Each member school corporation was ultimately responsible for ensuring compliance with the requirements.

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 Cooperative did not have procedures in place to verify that vendors were not suspended or debarred or otherwise excluded from or ineligible to participate in a federal assistance program prior to entering into a contract with them.

Context

During fiscal year 2016-2017, four contracted vendors received more than \$25,000 to provide special education services. There was no evidence that the Cooperative verified that the vendors were not suspended or debarred prior to awarding the contracts.

Criteria

2 CFR section 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 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 must do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

NORTH DAVIESS COMMUNITY SCHOOLS
FEDERAL FINDINGS
(Continued)

Cause

Management did not develop a system of internal controls that would have ensured that the Cooperative complied with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

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

Questioned Costs

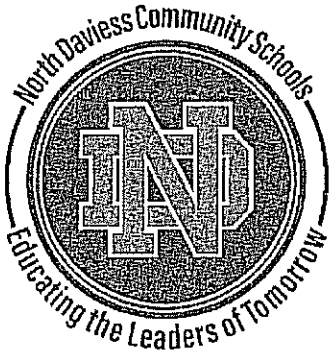
There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management develop and implement procedures and establish controls to monitor the Cooperative 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, which is part of this report.



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Robert W. Bell, Superintendent • Jodi G. Berry, Director of Instruction & Technology
Glenda O'Connor, Treasurer • Elizabeth Knepp, Administrative Assistant

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Glenda O'Connor, Treasurer
Contact Phone Number: 812-636-8000

Views of Responsible Official: The School Corporation management will establish controls to ensure compliance with the grant agreement.

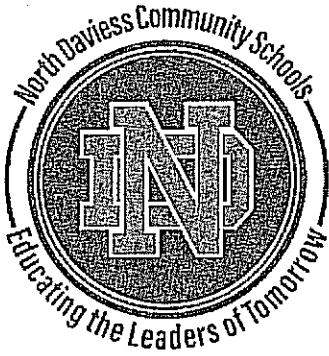
Description of Corrective Action Plan: All school lunch employee's time sheets will be reviewed and approved by the supervisor. The custodian's time sheets are no longer used to separate their earnings. The school corporation is now using the indirect cost method concerning the food service department.

Anticipated Completion Date: April 8, 2019

Glenda O'Connor
(Signature)

Treasurer
(Title)

4-8-19
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2018-002

Contact Person Responsible for Corrective Action: Glenda O'Connor, Treasurer
Contact Phone Number: 812-636-8000

Views of Responsible Official: The school corporation management will establish controls to ensure compliance with the grant agreement concerning indirect costs and time sheets.

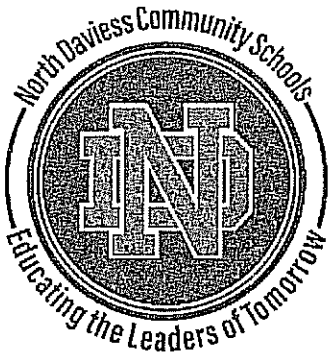
Description of Corrective Action Plan: All school lunch employees' time sheets will be reviewed and approved by their supervisor. The school corporation will establish controls to ensure compliance and comply with the grant agreement and allowable costs/cost principals requirement. Using indirect costs was a new way to handle our rising school lunch balances. Since this routine was new to us, we did use the incorrect percentage for one year. The DOE has been now posting the indirect cost rates along with the Form 9, this seems to help school corporations with this procedure. The overpayment of indirect costs from the school lunch fund will be reversed before June 30, 2019.

Anticipated Completion Date: 4-8-19

Glenda O'Connor
(Signature)

Treasurer
(Title)

4-8-19
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2018-003

Contact Person Responsible for Corrective Action: Glenda O'Connor, Treasurer
Contact Phone Number: 812-636-8000

Views of Responsible Official: The school corporation failed to establish an internal control between the school board setting meal prices and the persons who charged those prices.

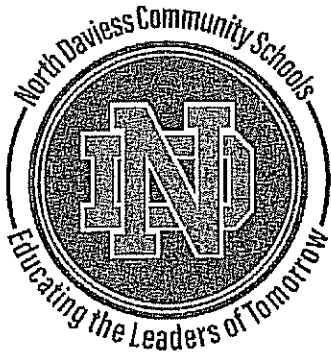
Description of Corrective Action Plan: The School Corporation will now establish controls to ensure compliance between the school board setting the prices and the prices actually being charged to adults.

Anticipated Completion Date: 4-8-19

Glenda O'Connor
(Signature)

Treasurer
(Title)

4-8-19
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2018-004

Contact Person Responsible for Corrective Action: Glenda O'Connor, Treasurer
Contact Phone Number: 812-636-8000

Views of Responsible Official: There were no review procedures in place to verify correct reporting between the vendor (Aramark) and the school corporation.

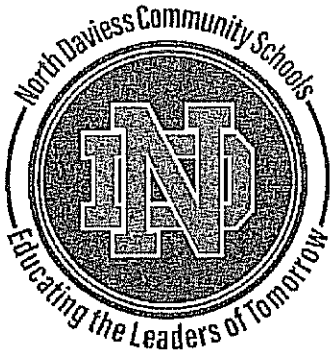
Description of Corrective Action Plan: There will now be a system of internal controls between Aramark and the school corporation to ensure documentation has been maintained and made available for audit purposes.

Anticipated Completion Date: 4-8-19

Glenda O'Connor
(Signature)

Treasurer
(Title)

4-8-19
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2018-005

Contact Person Responsible for Corrective Action: Glenda O'Connor, Treasurer
Contact Phone Number: 812-636-8000

Views of Responsible Official: There were not internal controls to ensure that documentation was maintained for special test and provisions and verification of free and reduced price applications.

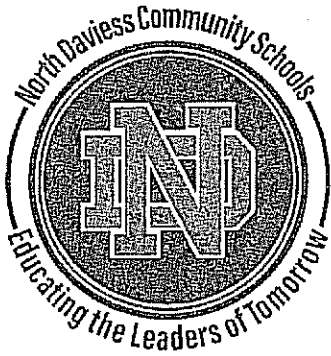
Description of Corrective Action Plan: The vendor (Aramark) had an employee in place that failed to maintain documentation. Aramark now has a new employee in place that has been made aware of the audit procedures and will work with the school corporation to maintain all documentation relating to the free and reduced applications as well as the paid lunch equity requirement.

Anticipated Completion Date: 4-8-19

Glenda O'Connor
(Signature)

Treasurer
(Title)

4-8-19
(Date)



North Daviess Community Schools
5494 E. State Road 58
Elnora, Indiana 47529
(812) 636-8000 • Fax (812) 636-7546
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Robert W. Bell, Superintendent • Jodi G. Berry, Director of Instruction & Technology
Glenda O'Connor, Treasurer • Elizabeth Knepp, Administrative Assistant

CORRECTIVE ACTION PLAN


FINDING 2018-006

Contact Person Responsible for Corrective Action: Glenda O'Connor, Treasurer
Contact Phone Number: 812-636-8000

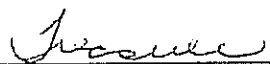
Views of Responsible Official: The Special Ed Cooperative was not in compliance with the procurement and suspension and debarment. This was a finding in the prior audit that was completed in the last few months.

Description of Corrective Action Plan: The school corporation will establish an internal control system with the Special Ed Cooperative to make sure they are verifying all vendors over the \$25,000.00.

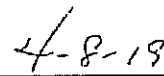
Anticipated Completion Date: 4-8-19



(Signature)



(Title)



(Date)

NORTH DAVIESS COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on April 15, 2019, with Robert W. Bell, Superintendent of Schools; Glenda O'Connor, Treasurer; Rob Dove, President of the School Board; and Roger Callahan, School Board member.