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

SUPPLEMENTAL COMPLIANCE REPORT
OF

RICHLAND-BEAN BLOSSOM COMMUNITY
SCHOOL CORPORATION
MONROE COUNTY, INDIANA

July 1, 2016 to June 30, 2018

FILED
05/08/2019

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SCHEDULE OF OFFICIALS

| Office | Official | Term |
|---|---|---|
| Treasurer | Debbie Tate | 07-01-16 to 06-30-19 |
| Superintendent of Schools | Dr. Michael Wilcox | 07-01-16 to 06-02-18 |
| | Dr. Jerry Sanders (interim) | 06-03-18 to 10-31-18 |
| | Dr. Jerry Sanders | 11-01-18 to 06-30-19 |
| President of the School Board | Dana Robert Kerr | 07-01-16 to 12-31-16 |
| | Jimmie D. Durnil | 01-01-17 to 12-31-17 |
| | Dana Robert Kerr | 01-01-18 to 12-31-19 |

**STATE OF INDIANA**
**AN EQUAL OPPORTUNITY EMPLOYER**

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TO: THE OFFICIALS OF THE RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION, MONROE COUNTY, INDIANA

This report is supplemental to our audit report of the Richland-Bean Blossom 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 Finding that pertains 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 22, 2019

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
FEDERAL FINDING

***FINDING 2018-001***

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Numbers (or Other Identifying Numbers): FY2017, FY2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. The School Corporation did not perform any procedures to verify that vendors were not suspended or debarred from participation in federal programs before entering into covered transactions for three of the five vendors examined during the audit period.

*Context*

The lack of controls and noncompliance were systemic problems 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 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*

The School Corporation had not established and implemented effective internal controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective system of internal control enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment 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 related to 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.

# Richland-Bean Blossom

## Community School Corporation

*600 South Edgewood Drive, Ellettsville, Indiana 47429*
• Phone: (812) 876-7100 • Fax: (812) 876-7020 • Web: www.rbbcsc.k12.in.us

**SUPERINTENDENT**
Dr. Jerry Sanders
jsanders@rbbschools.net

**SCHOOL BOARD**
Mr. Dana Robert Kerr
Mr. Jimmie D. Durnil
Mr. Larry Thrasher
Mrs. Debra Merry
Mrs. Angie Jacobs

**VISION**
Living, learning and leading together.

**MISSION**
Our mission is to work in cooperation with the community and families to provide students with an education that promotes responsible citizenship, develops critical thinking, communication, collaboration and creativity.

Corrective Action Plan

**FINDING 2018-001**

Contact Person Responsible for Corrective Action: Vickie Coffey, Nutrition Director
Contact Phone Number: (812) 876-7100

Views of Responsible Official: Richland-Bean Blossom C.S.C. concurs with finding 2018-001.

Description of Corrective Action Plan:
The School Corporation will develop internal control procedures to comply with the school policy for Procurement and Suspension Debarment.

Corporation Policy:
The Corporation shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over $25,000, the Corporation shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at www.sam.gov; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 CFR Part 180 Subpart C)

An authorized staff member such as the Treasurer will complete a vendor search on www.sam.gov to determine if the vendor is suspended or debarred. They will then print the document and have another authorized staff member such as the Nutrition Director review and initial the report.

Anticipated Completion Date: Implementation of Corrective Action Plan should take full effect in May 2019.

Signature

Superintendent
Title

4-9-19
Date

Signature

Nutrition Director
Title

4-9-19
Date

RICHLAND-BEAN BLOSSOM COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 22, 2019, with Debbie Tate, Treasurer; Dr. Jerry Sanders, Superintendent of Schools; and Dana Robert Kerr, President of the School Board.