

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

PORTER COUNTY EDUCATION SERVICES

PORTER COUNTY, INDIANA

July 1, 2015 to June 30, 2018



FILED

05/28/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ruth Kenny Quinnlyn Van Rys	07-01-15 to 08-25-15 08-26-15 to 06-30-19
Executive Director	Diane Massa	07-01-15 to 06-30-19
President of the Board of Directors	Rod Gardin Amanda Alaniz	07-01-15 to 06-30-18 07-01-18 to 06-30-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE PORTER COUNTY EDUCATION
SERVICES, PORTER COUNTY, INDIANA

This report is supplemental to our audit report of the Porter County Education Services (School Corporation), for the period from July 1, 2015 to June 30, 2018. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statements Audit Report of the School Corporation, which provides our opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

April 10, 2019

PORTER COUNTY EDUCATION SERVICES
AUDIT RESULTS AND COMMENTS

ADOPTION OF AND TRAINING ON INTERNAL CONTROL STANDARDS

The School Corporation Board of Directors failed to adopt minimum internal control standards and provide training to personnel over the internal control standards.

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

The fiscal officer certified on the Annual Financial Report that minimum internal control standards and procedures had been adopted by the political subdivision and that personnel had received the internal control training as required; however, the School Corporation failed to adopt internal control standards and provide documented training to personnel over the internal control standards.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

OVERDRAWN CASH BALANCES

The Joint Services and Supply - Area Vocational School fund had overdrawn cash balances of \$26,296, \$86,798, and \$208,776, as of June 30, 2016, 2017, and 2018, respectively.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

PORTER COUNTY EDUCATION SERVICES
EXIT CONFERENCE

The contents of this report were discussed on April 10, 2019, with Quinnlyn Van Rys, Treasurer; Diane Massa, Executive Director; Amanda Alaniz, President of the Board of Directors; and Dr. Julie Lauck, Board of Directors member.