

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

NORTH CENTRAL PARKE
COMMUNITY SCHOOL CORPORATION
PARKE COUNTY, INDIANA

July 1, 2016 to June 30, 2018



FILED
06/25/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Vonessia Harmon	07-01-16 to 06-30-19
Superintendent of Schools	Dr. Thomas W. Rohr	07-01-16 to 06-30-19
President of the School Board	P. Scott Ramsay	07-01-16 to 06-30-19



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TO: THE OFFICIALS OF THE NORTH CENTRAL PARKE COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

This report is supplemental to our audit report of the North Central Parke 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

May 30, 2019

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDING

FINDING 2018-001

Subject: Child Nutrition Cluster - Internal Controls

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 2016-17, FY 2017-18

Pass-Through Entity: Indiana Department of Education

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

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirements:

Eligibility and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The School Corporation had not designed or implemented adequate internal controls to ensure that the verifications of eligibility determinations for free and reduced priced meals were accurate. The Food Service Director was responsible for all aspects of the eligibility determinations and verification of free and reduced price applications. There was no documentation of a control in place, such as an oversight, review or approval process, or other compensating control.

Context

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

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
FEDERAL FINDING
(Continued)

(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 compliance requirements listed above.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement for Eligibility and Special Tests and Provisions - Verification of Free Reduced Price Applications (NSLP) compliance requirements.

Views of Responsible Officials

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

North Central Parke Community School Corporation
Building Bridges to the Future

Thomas W. Rohr, Ph. D.
Superintendent

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Marshall, IN 47859
Phone (765) 597-2750
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5/22/19

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Vonessia Harmon, Treasurer
Contact Phone Number: 765-597-2751

Views of Responsible Official:

We concur with the findings.

Description of Corrective Action Plan:

Our Food Service Director, Janet Lindley, was completing the verifications of eligibility for free and reduced applications and obtaining a second signature. Janet herself, however, failed to also provide her own signature; thinking that the computer print-out with time stamp under her log-in name was sufficient for audit evidence.

Effective immediately, all free and reduced verifications will be signed by the Food Service Director and a Cafeteria Site Manager.


(Signature)

Superintendent
(Title)

May 22, 2019
(Date)


(Signature)

Business manager
(Title)

5.22.2019
(Date)

NORTH CENTRAL PARKE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on May 30, 2019, with Dr. Thomas W. Rohr, Superintendent of Schools; P. Scott Ramsay, President of the School Board; and Vonessia Harmon, Treasurer.