

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ATTICA CONSOLIDATED SCHOOL CORPORATION

FOUNTAIN COUNTY, INDIANA

July 1, 2015 to June 30, 2018



FILED
06/28/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carrie R. Brier	07-01-15 to 07-31-16
	Rebecca Monroe	08-01-16 to 08-31-16
	Deanna Hutts	09-01-16 to 12-31-19
Superintendent of Schools	Derek Marshall	07-01-15 to 06-30-17
	Dr. Robert Boyd	07-01-17 to 12-31-17
	Sheri Hardman	01-01-18 to 12-31-19
President of the School Board	Michael Wrighthouse	01-01-15 to 12-31-16
	Chris Gayler	01-01-17 to 12-31-17
	Kelly Hiller	01-01-18 to 12-31-19



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ATTICA CONSOLIDATED SCHOOL CORPORATION, FOUNTAIN COUNTY, INDIANA

This report is supplemental to our audit report of the Attica Consolidated School Corporation (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

May 14, 2019

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The same comment also appeared in prior Report B46430.

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Debt Service	2015	\$ 136,451
Capital Projects	2015	1,227

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

INTERNAL CONTROL OVER FINANCIAL TRANSACTIONS AND REPORTING

There were several deficiencies in the internal control system of the School Corporation related to cash and investments and receipts.

Lack of Segregation of Duties

The School Corporation had not separated incompatible activities related to cash and investments and receipts.

ATTICA CONSOLIDATED SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Cash and Investments

One employee was responsible for performing the reconciliation of the depository account balance with the record balance. There were no controls in place such as an oversight, review, or approval process over the bank reconciliations.

Receipts

One employee was responsible for writing and recording receipts for funds received and preparing the daily deposits for the bank accounts. There were no controls in place such as oversight, review, or approval process.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, Uniform Internal Control Standards for Indiana Political Subdivisions. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

ATTICA CONSOLIDATED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on May 14, 2019, with Kelly Hiller, President of the School Board; Jill Mandeville, School Board member; Sheri Hardman, Superintendent of Schools; Deanna Hutts, Treasurer; and Carrie Brier, former Treasurer.