

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

JOHN GLENN SCHOOL CORPORATION

ST. JOSEPH COUNTY, INDIANA

July 1, 2017 to June 30, 2019



**FILED**  
01/16/2020



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Audit Result and Comment: Internal Controls .....	4-5
Exit Conference.....	6

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Thomas L. Bendy	07-01-17 to 06-30-20
Superintendent of Schools	Richard M. Reese Christopher Winchell	07-01-17 to 06-30-19 07-01-19 to 06-30-20
President of the School Board	Jeff Johnson Janice Ryan Dennis Holland Christian Mattix	01-01-17 to 12-31-17 01-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 12-31-20



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE JOHN GLENN SCHOOL CORPORATION,  
ST. JOSEPH COUNTY, INDIANA

This report is supplemental to our audit report of the John Glenn School Corporation (School Corporation), for the period from July 1, 2017 to June 30, 2019. 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 Statement Audit Report of the School Corporation, which provides our opinion on the School Corporation's financial statement. This report may be found at [www.in.gov/sboa/](http://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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

December 19, 2019

JOHN GLENN SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

***INTERNAL CONTROLS***

*Condition and Context*

There were deficiencies in the internal control system of the School Corporation related to financial transactions. There was a lack of segregation of duties as the School Corporation had not separated incompatible activities related to receipts and disbursements.

*Receipts*

The School Corporation did not have effective controls in place to ensure that collections were properly receipted into the correct fund. One person generated the receipts, recorded the receipts, prepared the deposit tickets, and deposited the receipts to the bank without oversight or review.

*Disbursements*

*Vendor*

The School Corporation did not have effective controls in place to ensure that supporting documentation was available for all vendor claims and that the disbursements were recorded in the correct fund. One person generated and recorded the claims without oversight or review.

*Payroll*

The School Corporation did not have effective controls in place to ensure that payroll disbursements were calculated correctly and recorded in the correct fund. Payroll disbursements were prepared and recorded by the Deputy Treasurer without proper oversight or review to ensure that employees were paid the correct amount and from the correct fund.

JOHN GLENN SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT  
(Continued)

*Payroll Withholdings*

The School Corporation did not have effective controls in place to ensure that payroll withholdings were calculated accurately and recorded in the correct fund. Some of the payroll withholdings (vision insurance, dental insurance, cancer insurance, annuities, etc.) were calculated and determined by the Treasurer without proper oversight or review to ensure the accuracy of the amounts paid.

*Criteria*

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. . . ."

JOHN GLENN SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2019, with Thomas L. Bendy, Treasurer; Christopher Winchell, Superintendent of Schools; Dennis Holland, President of the School Board; Carol Kuzmicz, Deputy Treasurer; and Shelly Clark, Administrative Assistant.