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

FEDERAL COMPLIANCE AUDIT REPORT

OF

WAWASEE COMMUNITY SCHOOL CORPORATION

KOSCIUSKO COUNTY, INDIANA

July 1, 2017 to June 30, 2019

FILED
02/28/2020

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	James M. Evans	07-01-17 to 06-30-20
Superintendent of Schools	Dr. Thomas R. Edington	07-01-17 to 06-30-20
President of the School Board	Rebecca L. Linnemeier	01-01-17 to 12-31-20

STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE WAWASEE COMMUNITY SCHOOL CORPORATION, KOSCIUSKO COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Wawasee Community School Corporation (School Corporation), for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated February 5, 2020, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exists that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Wawasee Community School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

February 5, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE WAWASEE COMMUNITY SCHOOL CORPORATION, KOSCIUSKO COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Wawasee Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2017 to June 30, 2019. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed below, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2019-003 and 2019-005 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting compliance of the School Corporation with the Child Nutrition Cluster regarding Program Income and Special Tests and Provisions - School Food Accounts. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the period of July 1, 2017 to June 30, 2019.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2017 to June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-004, 2019-006, and 2019-007. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2019-002, 2019-003, 2019-004, 2019-005, 2019-006, and 2019-007, that we consider to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2017 to June 30, 2019, and the related notes to the financial statement. We issued our report thereon dated February 5, 2020, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

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

February 5, 2020

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

WAWASEE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2018 and 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2018	$ -	$ 133,412	$ -	$ -
School Breakfast Program			FY 2019	-	-	-	111,548
Total - School Breakfast Program				-	133,412	-	111,548
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			FY 2018	-	652,647	-	-
Ala carte Food Program			FY 2018	-	4,153	-	-
School Lunch Program			FY 2019	-	-	-	598,726
Ala carte Food Program			FY 2019	-	-	-	3,169
Commodities				-	132,358	-	125,151
Total - National School Lunch Program				-	789,158	-	727,046
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Program			FY 2018	-	30,779	-	-
Summer Food Program			FY 2019	-	-	-	36,531
Total - Summer Food Service Program for Children				-	30,779	-	36,531
Total - Child Nutrition Cluster				-	953,349	-	875,125
Total - Department of Agriculture				-	953,349	-	875,125
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Sch.Age Spec.Svcs.Part B			14217-113-PN01	-	202,320	-	-
Sch.Age Spec. Svcs. Part B			18611-113-PN01	-	497,979	-	149,414
Sch.Age Spec.Svcs.Part B			19611-113-PN01	-	-	-	462,791
Total - Special Education Grants to States				-	700,299	-	612,205
Special Education Preschool Grants	Indiana Department of Education	84.173					
Presch.Spec.Needs			18619-113-PN01	-	12,636	-	486
Presch.Spec.Needs			19619-113-PN01	-	-	-	13,267
Presch.Spec.Needs			45716-113-PN01	-	796	-	-
Presch.Spec.Needs			45717-113-PN01	-	1,307	-	2,081
Total - Special Education Preschool Grants				-	14,739	-	15,834
Total - Special Education Cluster (IDEA)				-	715,038	-	628,039

WAWASEE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2018 and 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Total Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I A			S010A150014	-	77,596	-	-
Title I A			S010A150014	-	266,007	-	130,419
Title I SIG			S010A160014	-	44,848	-	-
Title I SIG			S010A170014	-	14,221	-	19,367
Title I A			S010A180014	-	-	-	315,886
Total - Title I Grants to Local Educational Agencies				-	402,672	-	465,672
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048					
Perkins Grant			17-4700-4345	-	18,273	-	-
Perkins Grant			18-4700-4345	-	63,549	-	63,569
Perkins Grant			18-4700-4345	-	-	-	19,068
Perkins Local Rural			A58-7-17CI-3979	-	35,434	-	-
Total - Career and Technical Education - Basic Grants to States				-	117,256	-	82,637
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A			S367A150015	-	27,604	-	-
Title II Part A			S367A160013	-	35,780	-	43,024
Title II Part A			S367A170013	-	-	-	30,946
Total - Supporting Effective Instruction State Grants				-	63,384	-	73,970
Total - Department of Education				-	1,298,350	-	1,250,318
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid			FY 2018	-	22,416	-	-
Medicaid			FY 2019	-	-	-	21,079
Total - Medical Assistance Program				-	22,416	-	21,079
Total - Medicaid Cluster				-	22,416	-	21,079
Total - Department of Health and Human Services				-	22,416	-	21,079
Total federal awards expended				$ -	$ 2,274,115	$ -	$ 2,146,522

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

WAWASEE COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2018 and 2019. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of $750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

WAWASEE COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Qualified
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2019-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition and Context

There was a deficiency in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to receipts and other financing sources. The Deputy Treasurer posted receipts, which would include other financing sources, into the accounting software. There was no tangible evidence of an internal control system over receipts to show that there was an oversight, approval, or review process in place to ensure receipts and other financing sources were properly posted.

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. . . .
>
> The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .
>
> - Accurate and timely recording of transactions. . . ."

Cause

Management of the School Corporation had not established a proper system of internal control over posting receipts into the accounting software.

Effect

The failure to establish a system of internal controls could enable material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2019-002

Subject: Title I Grants to Local Educational Agencies - Reporting and Special Tests and Provisions - Annual Report Card/High School Graduation Rate
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): S010A150014, S010A160014, S010A170014, S010A180014
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Reporting, Special Tests and Provisions - Annual Report Card/High School Graduation Rate
Audit Finding: Material Weakness

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Reporting and Special Tests and Provisions - Annual Report Card/High School Graduation Rate compliance requirements.

Reporting

The School Corporation had one person solely responsible for the preparation and submission of the Monthly Reimbursement Request and Final Expenditure Reports. There were no controls in place to ensure that the submitted reports were accurate.

Special Tests and Provisions - Annual Report Card/High School Graduation Rate

The School Corporation had one person solely responsible for entering mobility codes into the system. There were no controls in place to ensure that the submitted reports were accurate.

This was a systemic issue which occurred 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). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

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 also allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and the compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2019-003

Subject: Child Nutrition Cluster - Program Income
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Program Income
Audit Findings: Material Weakness, Modified Opinion

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-004.

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement.

Each member school of the School Corporation prepared a monthly report, based on number of meals served, and the School Corporation transferred money from the Prepaid Lunch fund (8400) to the School Lunch fund (800) based on this report. Monthly reports were not printed or kept as supporting documentation for 20 out of the 24 months in the audit period. For those months that supporting documentation was kept, the amount transferred per the ledger did not match the monthly reports, due to transfers made being based on a calculated number and not on actual meals served. Therefore, it could not be determined if program income was properly receipted.

The lack of controls was a systemic issue, which occurred throughout the audit period. The lack of adequate supporting documentation prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

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). . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 210.14(f)(3) states: "All revenue from the sale of nonprogram foods shall accrue to the nonprofit school food service account of a participating school food authority."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . .

(12) Maintain a financial management system as prescribed by the State agency, or FNSRO where applicable; . . ."

7 CFR 225.6(e) states in part:

"*State-Sponsor Agreement.* A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

(3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

Cause

The School Corporation's management had not developed or implemented a system of internal controls to ensure that adequate supporting documentation for program income was maintained related to the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system and failure to maintain and provide supporting documentation for program income prevented the determination of the School Corporation's compliance with the Program Income compliance requirement.

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 retain adequate supporting documentation to ensure compliance with the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2019-004

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-003.

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Management of the School Corporation had not established an effective internal control system to ensure that only allowable and adequately documented disbursements were paid with the Food Service Program funds. Funds related to food service were used to pay a portion of an administrative employee's salary for fiscal years 2017-2018 and 2018-2019. The administrative employee did not maintain Personnel Activity Reports to support the distribution of a portion of their salary from the School Lunch fund. A total of $24,850 was paid out of the School Lunch fund for administrative salaries. Additionally, the School Corporation used food service funds to cover negative student lunch accounts as a direct expense. A total of $3,861 was paid directly from the School Lunch fund to cover negative student balances.

The School Corporation did not have controls in place to ensure that transfers made from the School Lunch fund (800) were for the benefit of the food service program. Transfers were made from the School Lunch fund (800) to cover the negative student lunch accounts in the Prepaid Lunch fund. Thus the negative student balances were being accounted for in the School Lunch fund (800). A total of $8,862 was transferred out of the School Lunch fund to cover negative student balances.

The lack of controls was a systemic issue throughout the audit period. The noncompliance was limited to the expenditures noted above.

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 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the non-Federal entity;

(iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system, including segregation of duties, enabled noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Known questioned costs of $37,573 were identified, as detailed in the *Condition.*

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, related to the grant agreement and comply with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2019-005

Subject: Child Nutrition Cluster - Special Tests and Provisions - School Food Accounts
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - School Food Accounts
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - School Food Accounts compliance requirement.

Transfers

The School Corporation did not have controls in place to ensure that transfers made from the School Lunch fund (800) were for the benefit of the food service program. Transfers were made from the School Lunch fund (800) to cover negative student accounts. Thus, the negative student balances were being accounted for in the School Lunch fund (800).

Rebates

The School Corporation did not have controls in place to ensure that rebates received by check were properly documented and recorded. The School Corporation was unable to provide records or supporting documentation of rebates received by check. Therefore, we are unable to determine if rebates were properly accounted for.

The lack of controls and noncompliance were systemic issues throughout the audit period. The lack of supporting documentation was limited to the rebates noted above.

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). . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.13(i) states in part: "Each State agency . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

2 CFR 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following . . .

(3) Records that identify adequately the source and application of funds for federally funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Special Tests and Provisions - School Food Accounts compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, to ensure compliance and comply with the grant agreement and the Special Tests and Provisions - School Food Accounts compliance requirement.

Views of Responsible Officials

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

FINDING 2019-006

Subject: Child Nutrition Cluster - Special Tests and Provisions - Verification of Free and Reduced Price Applications
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program
CFDA Numbers: 10.553, 10.555
Federal Award Number and Year (or Other Identifying Number): FY 2018
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Special Tests and Provisions - Verification of Free and Reduced Price Applications
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirement.

The School Corporation did not have an effective control in place to ensure that the verification process was properly performed. Of the verified applications tested during the fiscal year 2017-2018, 40 percent were not properly verified.

The lack of controls and noncompliance was isolated to 2017-2018.

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). . . ."

7 CFR 245.6a states in part:

". . . (c) *Verification requirement*—(1) *General.* The local educational agency must verify eligibility of children in a sample of household applications approved for free and reduced price meal benefits for that school year. . . ."

"(f)(7) *Eligibility changes.* Based on the verification activities, the local educational agency shall make appropriate modifications to the eligibility determinations made initially. The local educational agency must notify the household of any change. Households must be notified of any reduction in benefits in accordance with paragraph (j) of this section. Households with reduced benefits or that are longer eligible for free or reduced price meals must be notified of their right to reapply at any time with documentation of income or participation in one of the eligible programs in paragraph (a)(1) of this section. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, and comply with the grant agreement and the Special Tests and Provisions - Verification of Free and Reduced Price Applications compliance requirement.

Views of Responsible Officials

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

FINDING 2019-007

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment
Federal Agency: Department of Agriculture
Federal Programs: School Breakfast Program, National School Lunch Program, Summer Food Service Program for Children
CFDA Numbers: 10.553, 10.555, 10.559
Federal Award Numbers and Years (or Other Identifying Numbers): FY 2018, FY 2019
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the procurement requirements of the Procurement and Suspension and Debarment compliance requirement.

The School Corporation had not established an effective system of internal controls to ensure that proper procurement methods were selected prior to purchasing goods related to small purchases. There was one person solely responsible for selecting vendors, with no oversight or review of the vendor selected. The School Corporation did not properly obtain rates or quotes from an adequate number of qualified sources.

The lack of controls and noncompliance were systemic issues, which occurred 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 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . .

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system, including segregation of duties, enabled noncompliance with the grant agreement and the procurement requirements. 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 a system of internal controls, including segregation of duties, and comply with 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.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.

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FINDING 2017-001

Fiscal year in which the finding initially occurred: 2017
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Status of Audit Finding:

A system has been put into place to provide internal controls to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). When the SEFA is completed it is reviewed for errors prior to submission.

FINDING 2017-002

Fiscal year in which the finding initially occurred: 2017
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Status of Audit Finding: A system has been put into place so that all accounts payable vouchers are reviewed and approved.

A system has been put into place so that when federal guidelines are entered into the software program that parents use to apply for free and reduced lunches and breakfasts, a second person reviews the guidelines to make sure they are correct.

A system has been put into place so that all contracts comply with the Suspension and Debarment compliance requirement.

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FINDING 2017-003

Fiscal year in which the finding initially occurred: 2017
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Status of Audit Finding: A system has been put into place to only pay cafeteria employees from the Hot Lunch Fund. No administrative employees are paid from the Hot Lunch Fund.

FINDING 2017-004

Fiscal year in which the finding initially occurred: 2017
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

Status of Audit Finding: This finding was not corrected during the audit period. Going forward, each month the total from the Skyward Food Service Monthy Activity Report will be deposited in the Hot Lunch Fund (from the 8400 Fund). Each month, a check will be written from the 300 Fund (Operations Fund) to the 8400 Fund (Prepaid Lunch Fund) to cover negative balances in the 8400 Fund.

FINDING 2017-005

Fiscal year in which the finding initially occurred: 2017
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Sandra Weaver
Contact Phone Number: 574-457-3188

Status of Prior Audit Finding: A system has been put into place to ensure that the correct employees are paid from Special Education Grants.

A system has been put into place to ensure that the Special Education Director keeps the Maintenance of Effort (MOE) document information. If changes are made to the document, the Special Education Director will document the changes.

A system has been put into place to ensure that if there are changes to documents for contracted services, those changes will be signed by the Special Education Directors and Superintendents and copies maintained for documentation.

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FINDING 2017-006

Fiscal year in which the finding initially occurred: 2017
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education
Contact Person Responsible for Corrective Action: Sandra Weaver
Contact Phone Number: 574-457-3188

Status of Prior Audit Finding: A system has been put into place so that a Final Report for each Federal Grant will be filed as required.

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CORRECTIVE ACTION PLAN

FINDING 2019-001

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: (574) 457-3188

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: Each time receipts are entered into the financial software, the receipts will be reviewed and signed by a different person than the person who entered the receipts.

Anticipated Completion Date: Immediately

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CORRECTIVE ACTION PLAN

FINDING 2019-002

Contact Person Responsible for Corrective Action: Joy Goshert
Contact Phone Number: 574-457-3188

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Corrective Action Plan in Response to Reporting:

1. The Administrative Assistant to the Assistant Superintendent/Director of Curriculum, Instruction, and Assessment will run the Title I, Part A reports and any other Title I grant reports that could be open and email the reports to the Supervisor of Title I and the Assistant Superintendent/Director of Curriculum, Instruction, and Assessment.
2. The Supervisor of Title I will check the reports and then figure the Grant Reimbursement Report and/or the Annual Expenditure Report and then schedule a time to meet with the Assistant Superintendent/Director of Curriculum, Instruction, and Assessment to complete the online Grant Reimbursement Report and/or the Annual Expenditure Report.
3. The Supervisor of Title I will enter the information online for the Grant Reimbursement Report and/or the Annual Expenditure Report, and the Assistant Superintendent/Director of Curriculum, Instruction, and Assessment will check the information entered online prior to the Supervisor of Title I submitting the Grant Reimbursement Report and/or the Annual Expenditure Report.
4. In the online report, The Supervisor of Title I will be the Requester, and the Assistant Superintendent/Director of Curriculum, Instruction, and Assessment will be the Approver.
5. The submitted report will be printed, initialed by both the Supervisor of Title I (Requester) and the Assistant Superintendent/Director of Curriculum, Instruction, and Assessment (Approver), and filed with the financial reports that support the request.

Corrective Action Plan in Response to Special Tests and Provisions - Annual Report Card/High School Graduation Rate:

1. The Principal or his or her designee will scan and email to the Administrative Assistant of Guidance the documentation along with the mobility code for a student who withdraws from the high school if it is for a reason that is not moving to another school or death. The Administrative Assistant of Guidance will have the documentation for a student moving to another school or death.
2. For **ALL** high school students withdrawing for **ANY** reason, the Administrative Assistant of Guidance will email the Principal or his or her designee once the mobility code is entered into the Student Management System to let him or her know the mobility code entered and the documentation for that mobility code.
3. The Principal or his or her designee will go into the Student Management System to check the mobility code entered once the code is correct, respond to the Administrative Assistant to Guidance's email that "I have checked the mobility code in Skyward, and it is correct."
4. The Administrative Assistant of Guidance will save the email exchange as a pdf and add it to the student's documentation in the Cohort folder housed in Google Drive along with the other documentation for the student's withdrawal from the high school.

Anticipated Completion Date: March 2020

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CORRECTIVE ACTION PLAN

FINDING 2019-003

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Each month the total from the Skyward Food Service Monthly Activity Report will be deposited in the Hot Lunch Fund (800 Fund) from the Prepaid Lunch Fund (8400 Fund). Each month, a check will be written from the Operations Fund (300 Fund) to the Prepaid Lunch Fund (8400 Fund) to cover negative balances in the Prepaid Lunch Fund.

Supporting documentation for amounts transferred will be maintained with the Skyward Food Service Monthly Activity Report. The school corporation staff will ensure that program income is properly posted from the 8400 Fund to the 800 Fund. Each month, the ECA Treasurers will send a report from Skyward that documents the amount to be transferred from the 8400 Fund to the 800 Fund. The amount that is transferred will be reviewed by the Director of Finance to verify that the amount being transferred is correct.

Anticipated Completion Date: January 2020

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CORRECTIVE ACTION PLAN

FINDING 2019-004

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

In December 2018, we participated in an exit conference with representatives from the State Board of Accounts for the audit period from July 1, 2015, through June 30, 2017. At that time, we received a finding that an administrative employee was paid from Food Service Program funds without maintaining Personnel Activity Reports. In January 2019, Food Service Program funds were no longer used to pay that employee. This finding was corrected in January 2019 as soon as it was brought to our attention. This condition has been corrected.

A process has been put into place to ensure that no transfers are made from the School Lunch Fund (800 Fund) to the Prepaid Lunch Fund (8400 Fund).

All funds affected by this finding have been reimbursed to the School Lunch Fund (800 Fund).

Anticipated Completion Date: January 2020

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CORRECTIVE ACTION PLAN

FINDING 2019-005

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The school corporation has developed a plan to ensure that transfers from the School Lunch Fund (800 Fund) will benefit the School Lunch Fund. No transfers will be made from the School Lunch Fund (800 Fund) to the Prepaid Lunch Fund (8400 Fund).

Currently, no rebate checks are received from vendors as a part of the Child Nutrition Program. If any such checks are received in the future, supporting documentation will be kept.

Anticipated Completion Date: January 2020

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CORRECTIVE ACTION PLAN

FINDING 2019-006

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The lack of controls and noncompliance was isolated to the 2017/2018 school year. When it was brought to the school corporation's attention that mistakes had been made in the verification process, the School Food Service Director received further training in the verification process.

This finding has already been corrected.

Anticipated Completion Date: This finding has already been corrected.

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CORRECTIVE ACTION PLAN

FINDING 2019-007

Contact Person Responsible for Corrective Action: Jim Evans
Contact Phone Number: 574-457-3188

View of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The school corporation will establish an internal control system to ensure that proper procurement methods are in place before purchasing goods related to small purchases. Additionally, no small purchases of equipment will be made from the School Lunch Fund (800 Fund).

Anticipated Completion Date: January 2020

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: http://www.in.gov/sboa/.