

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
NORTHEASTERN WAYNE SCHOOL CORPORATION
WAYNE COUNTY, INDIANA
July 1, 2017 to June 30, 2019



FILED
03/16/2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Audit Result and Comment: Average Daily Membership	4
Exit Conference.....	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kay Reed Trisha Thomas	07-01-17 to 06-30-19 07-01-19 to 06-30-20
Superintendent of Schools	Laura Blessing	07-01-17 to 06-30-22
President of the School Board	Brad Hester Ben Austerman Keith Webster	07-01-17 to 12-31-17 01-01-18 to 03-31-18 04-01-18 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE NORTHEASTERN WAYNE SCHOOL CORPORATION, WAYNE COUNTY, INDIANA

This report is supplemental to our audit report of the Northeastern Wayne 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 opinions on the School Corporation's financial statement. 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 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

March 2, 2020

NORTHEASTERN WAYNE SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

AVERAGE DAILY MEMBERSHIP

Condition and Context

The School Corporation has not separated incompatible activities related to Average Daily Membership (ADM) counts. There was no segregation of duties, such as a documented oversight, review, or approval process. The building level officials did not certify ADM for either September count date during the audit period.

Criteria

"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. . . ."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

NORTHEASTERN WAYNE SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 2, 2020, with Laura Blessing, Superintendent of Schools; Keith Webster, President of the School Board; and Trisha Thomas, Treasurer.