

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

SOUTH BEND COMMUNITY SCHOOL CORPORATION

ST. JOSEPH COUNTY, INDIANA

July 1, 2017 to June 30, 2019



**FILED**

03/19/2020



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
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 <i>Government Auditing Standards</i> .....	3-4
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 .....	5-8
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards .....	10-13
Notes to Schedule of Expenditures of Federal Awards .....	14
Schedule of Findings and Questioned Costs .....	15-31
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings .....	34-45
Corrective Action Plan .....	46-54
Other Reports .....	55

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Katherine Rueff (Turk) Jenise Palmer Kareemah N. Fowler	07-01-17 to 07-06-18 10-16-18 to 08-31-19 09-01-19 to 06-30-20
Superintendent of Schools	Kenneth Spells Dr. C. Todd Cummings	07-01-17 to 06-30-19 07-01-19 to 06-30-20
President of the School Board	Stanley F. Wruble, III John Anella	01-01-17 to 12-31-18 01-01-19 to 12-31-20



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 SOUTH BEND COMMUNITY SCHOOL  
CORPORATION, ST. JOSEPH 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 South Bend 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 6, 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 exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 and 2019-002, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001.

***South Bend 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, CPA  
State Examiner

February 6, 2020, except for the Schedule of Expenditures  
of Federal Awards, for which the date is February 26, 2020



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 SOUTH BEND COMMUNITY SCHOOL CORPORATION, ST. JOSEPH COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the South Bend 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.

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  
(Continued)

***Basis for Qualified Opinion on Title I Grants to Local Educational Agencies***

As described in item 2019-004 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 Title I Grants to Local Educational Agencies regarding Eligibility. Consequently, we were unable to determine whether the School Corporation complied with those requirements applicable to the program.

***Basis for Qualified Opinion on Child Nutrition Cluster***

As described in items 2019-007 and 2019-008 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment and Program Income that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

***Qualified Opinion on Title I Grants to Local Educational Agencies***

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Title I Grants to Local Educational Agencies* 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 Title I Grants to Local Educational Agencies for the period of July 1, 2017 to June 30, 2019.

***Qualified Opinion on Child Nutrition Cluster***

In our opinion, except for the noncompliance 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 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 item 2019-005. Our opinion on each major federal program is not modified with respect to these matters.

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  
(Continued)

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 2019-003, 2019-004, 2019-005, 2019-006, 2019-007, 2019-008, and 2019-009, that we consider to be material weaknesses.

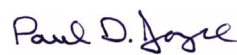
The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express 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.

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  
(Continued)

**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 6, 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, CPA  
State Examiner

February 26, 2020

## 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.

SOUTH BEND 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
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 17/18	\$ -	\$ 2,149,278	\$ -	\$ -
School Breakfast Program			FY 18/19	-	-	-	2,432,572
				-	2,149,278	-	2,432,572
Total - School Breakfast Program							
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 17/18	-	5,837,133	-	-
National School Lunch Program			FY 18/19	-	-	-	6,585,387
Commodities			Fy 17/18, FY 18/19	-	1,055,228	-	875,351
				-	6,892,361	-	7,460,738
Total - National School Lunch Program							
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program for Children			FY 17/18	-	327,984	-	-
Summer Food Service Program for Children			FY 18/19	-	-	-	279,833
				-	327,984	-	279,833
Total - Summer Food Service Program for Children							
Total - Child Nutrition Cluster							
Child and Adult Care Food Program	Indiana Department of Education	10.558					
Child and Adult Care Food Program			FY 17/18	-	265,143	-	-
Child and Adult Care Food Program			FY 18/19	-	-	-	203,117
				-	265,143	-	203,117
Total - Child and Adult Care Food Program							
Fresh Fruit and Vegetable Program	Indiana Department of Education	10.582					
Fresh Fruit & Vegetable Program			FY 17/18	-	128,925	-	-
Fresh Fruit & Vegetable Program			FY 18/19	-	-	-	213,871
				-	128,925	-	213,871
Total - Fresh Fruit and Vegetable Program							
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579					
Child Nutrition Discretionary Grants Limited Availability			FY 17/18	-	20,000	-	-
Total - Department of Agriculture							
				-	9,783,691	-	10,590,131

SOUTH BEND 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
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education			14216-053-PN01	-	447,718	-	-
Special Education			14217-053-PN01	-	1,800,160	-	-
Special Education			14217-053-PN01	-	-	-	250,052
Special Education			18611-053-PN01	-	3,022,380	-	-
Special Education			18611-053-PN01	-	-	-	2,517,746
Special Education			19611-053-PN01	-	-	-	3,405,693
Total - Special Education Grants to States				-	5,270,258	-	6,173,491
Special Education Preschool Grants							
Special Education Preschool	Indiana Department of Education	84.173					
Special Education Preschool			18619-053-PN01	-	90,023	-	-
Special Education Preschool			18619-053-PN01	-	-	-	145,658
Special Education Preschool			19619-053-PN01	-	-	-	138,981
Special Education Preschool			45716-053-PN01	-	62,946	-	-
Special Education Preschool			45717-055-PN01	-	75,834	-	-
Special Education Preschool			45717-055-PN01	-	-	-	89,230
Total - Special Education Preschool Grants				-	228,803	-	373,869
Total - Special Education Cluster (IDEA)							
				-	5,499,061	-	6,547,360
Adult Education - Basic Grants to States							
Adult Ed Basic 17/18	Indiana Department of Workforce Development	84.002					
Adult Ed Basic 17/18			AE7-22	-	370	-	-
Adult Ed Basic 18/19			AE7-22	-	-	-	228,622
Adult Ed Basic 18/19			AE8-22	-	-	-	11,129
Adult Ed Basic 16/17			AE6-22	-	127,138	-	-
Total - Adult Education - Basic Grants to States				-	127,508	-	239,751
Title I Grants to Local Educational Agencies							
Title 1 16/17	Indiana Department of Education	84.010					
Title 1 17/18			S010A160014 17-7205	-	2,833,813	-	-
Title 1 17/18			S010A170014 18-7205	-	6,225,627	-	2,212,930
Title 1 17/18			S010A170014 18-7205	-	-	-	-
Title 1 18/19			S010A180014 19-7205	-	-	-	5,035,038
Title 1 Delinquent 18/19			S010A180014 FY 2019	-	-	-	14,910
Title 1 Basic School Improvement Grant			S010A160014 FY 2017	-	307,564	-	-
Title 1 Delinquent 16/17			S010A160014 FY 2017	-	16,329	-	-
Title 1 Delinquent 17/18			S010A170014 FY 2017	-	84,057	-	22,926
Title 1 Basic School Improvement Grant 17-18			S010A170014 FY 2018	-	92,889	-	116,276
Title 1 Basic School Improvement Grant 18-19			S010A180014 FY 2019	-	-	-	30,000
Total - Title I Grants to Local Educational Agencies				-	9,560,279	-	7,432,080

SOUTH BEND 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
Migrant Education State Grant Program	Indiana Department of Education	84.011					
Fall Migrant			38215-005-PN01	-	241,613	-	-
Fall Migrant			38216-005-PN01	-	453,304	-	246,620
Fall Migrant			38217-005-PN01	-	-	-	436,350
<b>Total - Migrant Education State Grant Program</b>				<b>-</b>	<b>694,917</b>	<b>-</b>	<b>682,970</b>
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048					
Career and Technical Education			17-4700-7205	-	66,876	-	-
Career and Technical Education			18-4700-7205	-	206,458	-	242,400
Career and Technical Education			19-4700-7205	-	-	-	265,993
<b>Total - Career and Technical Education - Basic Grants to State</b>				<b>-</b>	<b>273,334</b>	<b>-</b>	<b>508,393</b>
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
Twenty-First Century Community Learning Centers			S287C150014	-	254,128	-	54,828
English Language Acquisition State Grants	Indiana Department of Education	84.365					
English Language Acquisition Grants			01116-084-PN01	-	26,099	-	-
English Language Acquisition Grants			01117-082-PN01	-	208,105	-	-
English Language Acquisition Grants			01117-084-PN01	-	-	-	120,021
English Language Acquisition Grants			PL 01118-081-PN01	-	17,915	-	166,470
English Language Acquisition Grants			PL 01119-081-PN01	-	-	-	18,375
<b>Total - English Language Acquisition State Grants</b>				<b>-</b>	<b>252,119</b>	<b>-</b>	<b>304,866</b>
Mathematics and Science Partnerships	Indiana Department of Education	84.366					
Math and Science Partnerships			A58-6-16CI-3741	-	127,784	-	-
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II Part A Improving Teacher Quality			S367A150015	-	406,703	-	-
Title II Part A Improving Teacher Quality			S367A160013	-	637,820	-	314,137
Title II Part A Supporting Effective Instruction			S367A170013	-	-	-	692,108
<b>Total - Supporting Effective Instruction State Grants</b>				<b>-</b>	<b>1,044,523</b>	<b>-</b>	<b>1,006,245</b>
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A			S424A170015	-	-	-	58,843
Title IV Part A			S424A180015	-	-	-	169,950
<b>Total - Student Support and Academic Enrichment Program</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>228,793</b>

SOUTH BEND 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
School Improvement Grants	Indiana Department of Education	84.377					
Title 1 Regular School Improvement Grant 1003(g)			#7000S377A130015	-	114,287	-	-
Title 1 Regular School Improvement Grant 1003 (g)			#7000S377A140015	-	333,482	-	461,525
Title 1 Regular School Improvement Grant 1003(g) 17-18			#7000S377A150015	-	-	-	274,948
Total - School Improvement Grants				-	447,769	-	736,473
Total - Department of Education				-	18,281,422	-	17,741,759
<b>Department of Health and Human Services</b>							
Head Start	Direct grant	93.600					
Head Start			05CH842804	-	4,115,076	-	-
Head Start			05CH8420805	-	3,845,072	-	2,612,507
Early Head Start CCP			05HP000702	-	416,176	-	-
Early Head Start CCP			05HP000703	-	1,572,992	-	544,688
Total - Head Start				-	9,949,316	-	3,157,195
Preventive Health and Health Services Block Grant	Indiana Department of Health	93.991	#40093758PHSBG17	-	4,800	-	-
Assistance Programs for Chronic Disease Prevention and Control	Indiana Department of Health	93.945	#40093945SCEHD18	-	1,500	-	-
<b>Medicaid Cluster</b>							
Medical Assistance Program	Indiana Department of Education	93.778					
Medicaid			FY 2017/2018	-	105,237	-	-
Medicaid			FY 2018/2019	-	-	-	185,277
Total - Medical Assistance Program				-	105,237	-	185,277
Total - Medicaid Cluster				-	105,237	-	185,277
Total - Department of Health and Human Services				-	10,060,853	-	3,342,472
Total federal awards expended				\$ -	\$ 38,125,966	\$ -	\$ 31,674,362

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

SOUTH BEND 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.

**Note 3. Head Start Consortium**

The Head Start Consortium transitioned to their own accounting system during fiscal year 2018-2019. During June through December of 2018, the School Corporation continued to act as their fiscal agent while they converted to their own computer system. In December 2018, Head Start's testing was completed and all of the Head Start funds were transferred into their control.

SOUTH BEND 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?	yes

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
	Child Nutrition Cluster	Qualified
	Special Education Cluster (IDEA)	Unmodified
84.010	Title I Grants to Local Educational Agencies	Qualified
93.600	Head Start	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$2,094,010

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2019-001**

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Condition and Context*

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not established a system of internal controls or separated incompatible activities related to cash and investments and payroll disbursements.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cash and Investments*

The School Corporation did not have effective controls in place to ensure that reconciliations of bank balances to the reported cash and investments balances were performed after key employees left employment. The Accounts Payable, Payroll, Shared Secured, and Operating bank accounts have not been reconciled since May 2019.

The Cafeteria Prepaid Meals fund was not reconciled to the total of the individual students' meal accounts on a monthly basis. The reported balance in the financial statement exceeded the total of the individual meal accounts by \$7,663 and \$6,758, respectively, as of June 30, 2018 and 2019.

*Payroll Disbursements*

The School Corporation did not have effective controls in place to ensure that the final payroll calculations were properly recorded and reported in the financial statement. There was no oversight, review, or approval process.

*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. . . ."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management of the School Corporation had not established a proper system of internal controls that segregated key functions.

*Effect*

The failure to establish a system of internal controls could have enabled material misstatements or irregularities to remain undetected.

*Views of Responsible Officials*

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

**FINDING 2019-002**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-001.

*Condition and Context*

The School Corporation did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which was the source of the SEFA. The system of oversight was not sufficient to detect and correct errors before submission. The SEFA presented for audit contained several immaterial errors.

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

*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.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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*

The School Corporation's management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

The failure to establish a proper system of internal controls could have enabled material misstatements or irregularities of the SEFA to remain undetected.

*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 2019-003**

Subject: Title I Grants to Local Educational Agencies - Internal Controls

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): S010A160014 17-7205,  
S010A170014 18-7205,  
S010A180014 19-7205,  
S010A160014 FY 2017,  
S010A170014 FY 2017,  
S010A170014 FY 2018,  
S010A180014 FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles; Matching,  
Level of Effort, Earmarking; Reporting

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit related to Allowable Costs/Cost Principles and Reporting. The prior audit finding number was 2017-008.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system 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; Matching, Level of Effort, Earmarking; and Reporting compliance requirements.

*Allowable Costs/Cost Principles*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that payroll disbursements were for allowable costs. Reports, including summary level payroll data, were provided to a knowledgeable employee for review, but the reports did not provide sufficient detail to effectively review and verify that the proper employees were paid from Title I funds.

*Matching, Level of Effort, Earmarking*

The School Corporation had not designed or implemented adequate policies and procedures over payroll disbursements related to earmarking requirements. Reports, including summary level payroll data, were provided to a knowledgeable employee for review, but the reports did not provide sufficient detail to effectively review and verify that the proper employees were paid from earmarked Title I funds.

*Reporting*

The School Corporation had not designed or implemented adequate policies and procedures to ensure reports were properly and accurately submitted. The Reimbursement requests and Final Expenditure Reports were prepared by one employee without proper oversight or review.

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:

- (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*

The School Corporation's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 have 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 program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking; and Reporting compliance requirements.

*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: Title I Grants to Local Educational Agencies - Eligibility

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): S010A160014 17-7205,  
S010A170014 18-7205,  
S010A180014 19-7205,  
S010A160014 FY 2017,  
S010A170014 FY 2017,  
S010A170014 FY 2018,  
S010A180014 FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Eligibility

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-011.

*Condition and Context*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Eligibility compliance requirement.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation had not designed or implemented adequate policies and procedures to ensure that information submitted to Indiana Department of Education for enrollment and poverty were supported by the School Corporation's records.

As part of the grant application the School Corporation must manually input non-public school enrollment and poverty student counts. The School Corporation did not maintain documentation to support the numbers reported for non-public students.

The lack of controls and the failure to maintain adequate supporting documentation were systemic issues 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). . . ."

34 CFR 200.78(a)(1) states:

"An LEA must allocate funds under subpart A of this part to school attendance areas and schools, identified as eligible and selected to participate under section 1113(a) or (b) of the ESEA, in rank order on the basis of the total number of children from low-income families in each area or school."

34 CFR 76.731 states: "A State and a subgrantee shall keep records to show its compliance with program requirements."

*Cause*

The School Corporation's management had not developed a system of internal controls to ensure that adequate supporting documentation for non-public school students were maintained related to the Eligibility compliance requirement.

*Effect*

The failure to establish an effective internal control system and failure to maintain and provide supporting documentation for non-public student enrollment and poverty counts prevented the determination of the School Corporation's compliance with the Eligibility compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure that adequate supporting documentation will be maintained related to compliance with the grant agreement and the Eligibility 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: Title I Grants to Local Educational Agencies - 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): S010A160014 17-7205,  
S010A170014 18-7205,  
S010A180014 19-7205,  
S010A160014 FY 2017,  
S010A170014 FY 2017,  
S010A170014 FY 2018,  
S010A180014 FY 2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-010.

*Condition and Context*

An effective internal control system 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 - Annual Report Card, High School Graduation Rate compliance requirement. The School Corporation did not have effective controls to ensure that documentation regarding the reason for a student being removed from the high school graduation cohort for mobility reasons was prepared, reviewed, and retained.

The School Corporation failed to comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement, which necessitated that for students removed from the high school graduation cohort for mobility reasons there was proper written documentation to support the identified mobility code.

The lack of internal controls and noncompliance were systemic issues throughout the audit period. Of the 40 students tested, 4 had documentation that did not agree with the mobility reason for removal and 3 had no supporting documentation to substantiate their removal from the cohort for mobility reasons.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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). . . ."

34 CFR 200.19(b) states in part:

"*High schools* –

(1) *Graduation rate.* Consistent with paragraphs (b)(4) and (b)(5) of this section regarding reporting and determining AYP, respectively, each State must calculate a graduation rate, defined as follows, for all public high schools in the State:

(i)(A) A State must calculate a 'four-year adjusted cohort graduation rate,' defined as the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for that graduating class. . . .

(ii) The term 'adjusted cohort' means the students who enter grade 9 (or the earliest high school grade) and any students who transfer into the cohort in grades 9 through 12 minus any students removed from the cohort.

(A) The term 'students who transfer into the cohort' means the students who enroll after the beginning of the entering cohort's first year in high school, up to and including in grade 12.

(B) To remove a student from the cohort, a school or LEA must confirm in writing that the student transferred out, emigrated to another country, or is deceased.

(1) To confirm that a student transferred out, the school or LEA must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma. . . .

(2) *Transitional graduation rate.*

(i) Prior to the deadline in paragraph (b)(4)(ii)(A) of this section, a State must calculate graduation rate as defined in paragraph (b)(1) of this section or use, on a transitional basis—

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(A) A graduation rate that measures the percentage of students from the beginning of high school who graduate with a regular high school diploma in the standard number of years; or . . .

(ii) For a transitional graduation rate calculated under paragraph (b)(2)(i) of this section—

(A) 'Regular high school diploma' has the same meaning as in paragraph (b)(1)(iv) of this section;

(B) 'Standard number of years' means four years unless a high school begins after ninth grade, in which case the standard number of years is the number of grades in the school; and

(C) A dropout may not be counted as a transfer. . . ."

*Cause*

The School Corporation had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement. Noncompliance with the grant agreement or the 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 controls to ensure compliance and comply with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*Views of Responsible Officials*

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2019-006**

Subject: Child Nutrition Cluster- Internal Controls  
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 17/18, FY 18/19  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Allowable Costs/Cost Principles, Cash Management, Special  
Tests and Provisions - School Food Accounts  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit related to Allowable Costs/Cost Principles and Cash Management. The prior audit finding numbers were 2017-002 and 2017-003.

*Condition and Context*

An effective internal control system 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, Cash Management, and Special Tests and Provisions- School Food Accounts compliance requirements.

*Allowable Costs/Cost Principles*

The School Corporation did not maintain adequate records regarding payroll. Reports, including summary level payroll data, were provided to a knowledgeable employee for review, but they did not provide sufficient detail to effectively review and verify that the proper employees were paid from the School Lunch fund.

*Cash Management (School Breakfast Program and National School Lunch Program only)*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that the School Lunch fund cash balance (net cash resources) did not exceed three months average expenditures.

*Special Tests/Provisions - School Food Accounts*

The School Corporation had not designed or implemented adequate policies or procedures to ensure that transfers from the School Lunch fund were for the benefit of the food service program.

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:

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(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 also have allowed noncompliance with the compliance requirements listed above 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 a system of internal controls related to the grant agreement and Allowable Costs/Cost Principles, Cash Management, and Special Tests and Provisions - School Food Accounts compliance requirements.

*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 17/18, FY 18/19  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Procurement*

The School Corporation did not comply with the procurement requirements for simplified acquisition procurements during fiscal year 2017-2018. The School Corporation purchased goods without the appropriate procurement procedures in place.

The School Corporation did not solicit bids for purchases that exceeded \$150,000 for simplified acquisitions that were initiated by the School Corporation.

*Suspension and Debarment*

The School Corporation did not ensure that vendors were not suspended or debarred or otherwise excluded from participating in federal assistance programs prior to entering into contracts that exceeded \$25,000.

The lack of controls was a systemic issue throughout the audit period. The noncompliance over suspension and debarment was a systemic issue throughout the audit period; the noncompliance over procurement was limited to 2018-2019.

*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. . . ."

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to remain undetected. 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 to ensure compliance 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.

**FINDING 2019-008**

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 17/18, FY 18/19  
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. The prior audit finding number is 2017-006.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system 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.

The School Corporation had not designed or implemented adequate policies and procedures to ensure that the food service program sales were properly receipted into the School Lunch fund. The School Corporation did not comply with program income requirements. They receipted all cash receipts, including prepayments, into the School Lunch fund and all credit card payments to the Prepaid Meals fund. The actual amount of program income generated from the food service program was not transferred or recorded properly.

The lack of controls and noncompliance were systemic issues 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). . . ."

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

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

The School Corporation's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Program Income compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to remain undetected. Noncompliance with the grant agreement and the Program Income 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 to ensure compliance and comply 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 2019-009**

Subject: Special Education Cluster (IDEA) - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14216-053-PN01, 14217-053-PN01,  
18611-053-PN01, 19611-053-PN01,  
45716-053-PN01, 45717-055-PN01,  
18619-053-PN01, 19619-053-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-007

*Condition and Context*

An effective internal control system 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.

SOUTH BEND COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation had not designed or implemented adequate policies and procedures to ensure that payroll disbursements were allowable costs. Reports, including summary level payroll data, were provided to a knowledgeable employee for review, but the reports did not provide sufficient detail to effectively review and verify that the proper employees were paid from Special Education funds.

*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:

- (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*

The School Corporation's management had not developed a system of internal controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement. A lack of segregation of duties within an internal control system could also have 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 a system of internal controls to ensure compliance 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.

(This page intentionally left blank.)

#### AUDITEE-PREPARED DOCUMENTS

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



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-001***

Fiscal year in which the finding initially occurred: originally occurred during the 13 – 15 audit  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Katherine Turk/Jenise Palmer  
Contact Phone Number: 574-393-6089

Status of Audit Finding:

The corrective action plan was based on adding an additional position in the Finance Department. So far, this position has not been filled.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-002***

Fiscal year in which the finding initially occurred: the 2015-17 audit  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Victoria Moore/Tanera Winters  
Contact Phone Number:393-6060

Status of Audit Finding:

This finding has not been resolved yet. The Food and Nutrition Department has changed management and we will discuss these findings with the new management team.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

#### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-003***

Fiscal year in which the finding initially occurred: originally occurred during the 13 – 15 audit  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of  
Education

Contact Person Responsible for Corrective Action: Victoria Moore/Tanera Winters

Contact Phone Number: 393-6060

Status of Audit Finding:

This finding has not been resolved yet. The Food and Nutrition Department has changed management and we will discuss these findings with the new management team.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-004***

Fiscal year in which the finding initially occurred: during the 2015 – 17 audit  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education  
Contact Person Responsible for Corrective Action: Victoria Moore/Tanera Winters  
Contact Phone Number:574-393-6060

Status of Audit Finding:

Yes, the Food and Nutrition Department is complying with the steps outlined in the corrective action plan



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-005***

Fiscal year in which the finding initially occurred: during 2015 – 2017 audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Victoria Moore/Tanera Winters

Contact Phone Number: 574-393-6060

Status of Audit Finding:

Yes, the Food and Nutrition Department and the Budget Department are working together to comply with the steps outlined in the corrective action plan



SCHOLARSHIP · DIVERSITY · COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-006***

Fiscal year in which the finding initially occurred: during 2015 – 2017 audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Victoria Moore/Tanera Winters

Contact Phone Number: 574-393-6060

Status of Audit Finding:

The Food and Nutrition Department is continuing to work on this situation. They are not yet at 100% compliance.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

#### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-007***

Fiscal year in which the finding initially occurred: during the 2013 – 15 audit  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Education  
Contact Person Responsible for Corrective Action: Matt Johns  
Contact Phone Number: 574-393-6119

Status of Audit Finding:

The Special Education Department is following the steps outlined in the corrective action plan.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-008***

Fiscal year in which the finding initially occurred: during the 2015 – 17 audit  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Rene Sanchez/Brandon White  
Contact Phone Number: 574-393-6063

Status of Audit Finding:

I'm unsure about the certified staff contracts. Human Resources are supposed to maintain a copy of all the certified staff contracts but they are having difficulties locating some of them. I believe there are electronic copies of each year in the computer archives.

The Reimbursement back up information corrective action plan is being followed.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

#### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-009***

Fiscal year in which the finding initially occurred: during the 2015 – 17 audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Brandon White/Christy Heim

Contact Phone Number: 574-393-6093

Status of Audit Finding:

The Title 1 Department and the Purchasing Department are following the steps outlined in the corrective action plan.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

#### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-010***

Fiscal year in which the finding initially occurred: during the 2015 – 17 audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Brandon White

Contact Phone Number: 574-393-6055

Status of Audit Finding:

This finding has not yet been resolved. The Corporation continues to work on the problem.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

#### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-011***

Fiscal year in which the finding initially occurred: during the 2015 – 17 audit

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Brandon White

Contact Phone Number: 574-393-6055

Status of Audit Finding:

This finding has not yet been resolved. The corporation continues to work on the problem.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

#### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2017-012***

Fiscal year in which the finding initially occurred: During the 2015 – 17 audit  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Head Start  
Contact Person Responsible for Corrective Action: Dr. Kathy Guajardo  
Contact Phone Number: 574-283-8127

Status of Audit Finding:

I believe Head Start is complying with the steps outlined in the corrective action plan. However, South Bend Schools stopped being their fiscal agent as of January, 2019.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-001***

Contact Person Responsible for Corrective Action: Jenise Palmer  
Contact Phone Number: 574-393-6089

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

1. Additional staff will be trained on reconciling the bank statements in order to cover these duties during staff turnover.
2. The Food and Nutrition department has been working on the issue. I will have Brenda Overton coordinate with them to insure compliance.
3. We will establish an audit routine for the payroll disbursements.

Anticipated Completion Date: May, 2020



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-002***

Contact Person Responsible for Corrective Action: Kareemah Fowler  
Contact Phone Number: 574-393-6097

Views of Responsible Official: We concur with the findings

#### Description of Corrective Action Plan:

We are currently looking for an Operation Manger/Compliance Specialist. This position will be responsible for the review and approval of all aspects of grant spending. Additionally, the SEFA will be reviewed by this new position to check for errors and then sent to the Treasurer, who will review and submit the SEFA to Gateway. Crowe Horvath has completed its review of internal controls and risk assessment for the district, this report will be used to produce an internal controls manual. The internal controls manual will be produced with procedures for grant cycle management and allocation of duties with the new position that provides compliance and risk management checks for all grant funds.

Anticipated Completion Date: This process will start as soon as the position is filled.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-003***

Contact Person Responsible for Corrective Action: Brandon White  
Contact Phone Number: 574-393-6055

Views of Responsible Official: We concur with the findings

#### Description of Corrective Action Plan:

The Financial Department will attach detailed payroll reports to the reimbursement requests for Title 1 to be reviewed on a monthly basis. Title 1 director will review and approve all reimbursement requests and the final expenditure report.

Anticipated Completion Date: This process will start on March 1, 2020



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-004***

Contact Person Responsible for Corrective Action: Brandon White  
Contact Phone Number: 574-393-6055

Views of Responsible Official: We concur with the findings

### Description of Corrective Action Plan:

The Title 1 department will retain the supporting documentation for non-public schools' student enrollments and poverty counts.

Anticipated Completion Date: May, 2020



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-005***

Contact Person Responsible for Corrective Action: Brandon White  
Contact Phone Number: 574-393-6055

Views of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

#### Procedure for Withdrawing Students from all SBCSC High Schools

Anytime a parent requests that a student withdraw from a high school, the following steps must be followed. If a parent is not requesting a transfer, the principal will complete an exit interview. All transfers will follow this procedure. (Please also see the procedure for processing no shows.)

1. Only the principal is allowed to sign the withdrawal form. If the principal is not available, an assistant principal may sign the withdrawal form and immediately email it to the principal.
2. Prior to signing the withdrawal form, the principal will speak with the parents and student to gather any information that may help the school understand why a withdrawal is necessary. Once this conversation has happened, the principal will advise the parent and student.
3. If it is determined that the student will transfer, the signed withdrawal form will be filed in a binder based on class cohort. For example, all students scheduled to graduate in the spring of 2017 will be filed with the 2017 cohort. The principal must determine the name and contact information for the receiving school.
4. It is the responsibility of the data technician to manage these cohorts by checking Learning Connection weekly. If discrepancies are visible in Learning Connection, a data technician will contact the SBCSC Department of Research and Evaluation and the !DOE.
5. The secretary of student management will forward any requests for records to the data technician to file with the student's withdrawal paperwork. (We must have a request for records for every student withdrawing from SBCSC.)
6. The data technician will follow up regarding any student with whom we did not receive a request for records for within one week of the withdrawal. The data technician will contact the receiving school and parent to locate the records request.
7. The data technician will continue to locate a request for records weekly until the request is received by SBCSC.
8. Documentation will be maintained of all efforts made to collect the information.

Anticipated Completion Date: This process will start in August, 2020.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-006***

Contact Person Responsible for Corrective Action: Tanara Winters  
Contact Phone Number: 574-393-6060

Views of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

The Financial Department will work with the Food and Nutrition Department to develop an effective system of internal controls. This will include providing detailed payroll reports for their review on a quarterly basis, developing a maximum cash balance each year that the fund is not allowed to exceed and a review system for any transfers out of the School Lunch fund

Anticipated Completion Date: This will be an on-going monthly procedure.



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-007***

Contact Person Responsible for Corrective Action: Tanara Winters/Christy Heim  
Contact Phone Number: 574-393-6060/574-393-6093

Views of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

1. The Purchasing Agent will oversee all purchases made from the Food and Nutrition Department to ensure that bids are taken for all purchases exceeding \$150,000.
2. All contracts will include documentation that the vendor has not been suspended or disbarred.

Anticipated Completion Date: This will be an on-going monthly procedure



SCHOLARSHIP · DIVERSITY · COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

### CORRECTIVE ACTION PLAN

***FINDING 2019-008***

Contact Person Responsible for Corrective Action: Tanara Winters  
Contact Phone Number: 574-393-6060

Views of Responsible Official: We concur with the findings

Description of Corrective Action Plan:

The Financial Services Department will work with the Food and Nutrition Department to either ensure that their current computer program is working for Prepaid Meals or choose a new computer system to implement.

Anticipated Completion Date: This will be an on-going monthly procedure



SCHOLARSHIP • DIVERSITY • COMMUNITY

Financial Services  
215 South Dr. Martin Luther King Jr. Blvd.  
South Bend, IN 46601  
574-393-6097

## CORRECTIVE ACTION PLAN

### ***FINDING 2019-009***

Contact Person Responsible for Corrective Action: Matt Johns  
Contact Phone Number: 574-393-6055

Views of Responsible Official: We concur with the findings

#### Description of Corrective Action Plan:

The Financial Department will attach detailed payroll reports to the reimbursement requests for the Special Education director to be reviewed on a monthly basis. The Special Education director will review and approve all reimbursement requests and the final report.

Anticipated Completion Date: This process will start on March 1, 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/>.