

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

MARION COUNTY, INDIANA

July 1, 2017 to June 30, 2019



**FILED**  
03/24/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Linda J. Searles	07-01-17 to 06-30-20
Superintendent of Schools	Dr. Flora Reichanadter	07-01-17 to 06-30-20
President of the School Board	Regina C. Randolph Cherlisa M. Richardson Eric W. Huffine	07-01-17 to 12-31-17 01-01-18 to 12-31-19 01-01-20 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 METROPOLITAN SCHOOL DISTRICT  
OF PIKE TOWNSHIP, MARION 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 Metropolitan School District of Pike Township (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 3, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


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*.

***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 3, 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 METROPOLITAN SCHOOL DISTRICT  
OF PIKE TOWNSHIP, MARION COUNTY, INDIANA

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

We have audited the Metropolitan School District of Pike Township'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. 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.

***Opinion on Each Major Federal Program***

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 major federal programs for the period of July 1, 2017 to June 30, 2019.

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)

**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 2019-001, 2019-002, 2019-003, 2019-004, 2019-006, 2019-008, and 2019-009. 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 item 2019-001, 2019-002, 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.

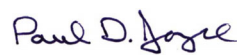
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



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 3, 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 3, 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.

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METROPOLITAIN SCHOOL DISTRICT OF PIKE TOWNSHIP  
 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	Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Federal Awards Expended 06-30-19
<b>Department of Agriculture</b>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2017-2018	\$ -	\$ 1,782,120	\$ -	\$ -
School Breakfast Program			FY 2018-2019	-	-	-	1,792,745
Total - School Breakfast Program				-	1,782,120	-	1,792,745
National School Lunch Program							
NSLP	Indiana Department of Education	10.555					
NSLP			FY 2017-2018	-	3,745,442	-	-
Commodities			FY 2018-2019	-	-	-	3,865,948
				-	613,823	-	913,871
Total - National School Lunch Program				-	4,359,265	-	4,779,819
Summer Food Service Program for Children							
SFSPC	Indiana Department of Education	10.559					
SFSPC			FY 2017-2018	-	121,387	-	-
			FY 2018-2019	-	-	-	111,034
Total - Summer Food Service Program for Children				-	121,387	-	111,034
Total - Child Nutrition Cluster				-	6,262,772	-	6,683,598
Child and Adult Care Food Program							
CACFP	Indiana Department of Education	10.558					
CACFP			FY 2017-2018	-	559,042	-	-
			FY 2018-2019	-	-	-	471,497
Total - Child and Adult Care Food Program				-	559,042	-	471,497
Total - Department of Agriculture				-	6,821,814	-	7,155,095
<b>Department of Justice</b>							
Bulletproof Vest Partnership Program	Direct Grant	16.607					
Bulletproof Vest Partnership			2018BUBX18095539	-	-	-	1,183
Total - Department of Justice				-	-	-	1,183
<b>Department of Labor</b>							
YouthBuild	Direct Grant	17.274					
Youth Career Connect			YC-25415-14-60-A-18	-	2,253,671	-	1,125,659
Total - YouthBuild				-	2,253,671	-	1,125,659
Total - Department of Labor				-	2,253,671	-	1,125,659

METROPOLITAIN SCHOOOL DISTRICT OF PIKE TOWNSHIP  
 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	Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Federal Awards Expended 06-30-19
<b>Department of Education</b>							
<b>Special Education Cluster (IDEA)</b>							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Part B Section 611			14216-067-PN01	-	111,958	-	-
Special Education Part B Section 611			14217-067-PN01	-	1,181,077	-	235,952
Special Education Part B Section 611			18611-067-PN01	-	551,884	-	1,725,297
Special Education Part B Section 611			19611-067-PN01	-	-	-	566,242
<b>Total - Special Education Grants to States</b>				<b>-</b>	<b>1,844,919</b>	<b>-</b>	<b>2,527,491</b>
<b>Special Education Preschool Grants</b>							
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool Section 619			18619-067-PN01	-	34,067	-	26,880
Special Education Preschool Section 619			19619-067-PN01	-	-	-	23,892
Special Education Preschool Section 619			45717-067-PN01	-	16,842	-	8,708
<b>Total - Special Education Preschool Grants</b>				<b>-</b>	<b>50,909</b>	<b>-</b>	<b>59,480</b>
<b>Total - Special Education Cluster (IDEA)</b>				<b>-</b>	<b>1,895,828</b>	<b>-</b>	<b>2,586,971</b>
<b>School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)</b>							
Project Prevent	Direct Grant	84.184	S184M140038	-	814,513	-	1,044,287
<b>Total - School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)</b>				<b>-</b>	<b>814,513</b>	<b>-</b>	<b>1,044,287</b>
<b>Title I Grants to Local Educational Agencies</b>							
Title I	Indiana Department of Education	84.010	S010A150014	-	36,275	-	-
Title I			S010A160014	-	3,447,228	-	1,049,516
Title I			S010A180014	-	-	-	2,066,550
Title I 1003 (a) School Improvement			S010A170014	-	-	-	140,777
<b>Total - Title I Grants to Local Educational Agencies</b>				<b>-</b>	<b>3,483,503</b>	<b>-</b>	<b>3,256,843</b>
<b>Career and Technical Education -- Basic Grants to States</b>							
Perkins Vocational Education	Indiana Department of Education	84.048	17-4700-5350	-	53,934	-	54,142
Perkins Vocational Education			18-4700-5350	-	133,447	-	-
Perkins Vocational Education			19-47005350	-	-	-	114,265
<b>Total - Career and Technical Education -- Basic Grants to States</b>				<b>-</b>	<b>187,381</b>	<b>-</b>	<b>168,407</b>

METROPOLITAN SCHOool DISTRICT OF PIKE TOWNSHIP  
 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	Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-18	Federal Awards Expended 06-30-18	Passed Through to Subrecipient 06-30-19	Federal Awards Expended 06-30-19
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
McKinney-Vento			7000S196A160015	-	19,963	-	-
McKinney Vento			7000S196A170018	-	12,912	-	32,088
McKinney Vento Homeless			700S196A180015	-	-	-	9,806
Total - Education for Homeless Children and Youth				-	32,875	-	41,894
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
21st CCLC Cohort 6			A58-7-17D-L0015	-	68,174	-	-
21st CCLC Cohort 7			A58-7-17DL-0054	-	310,739	-	74,450
21st CCLC Cohort 8			A58-8-18DL-4508	-	222,780	-	242,401
Total - Twenty-First Century Community Learning Centers				-	601,693	-	316,851
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III			01116-068-PN01	-	123,091	-	-
Title III			01117-065-PN01	-	85,092	-	21,583
Title III			01118-063-PN01	-	147,839	-	80,158
Title III Immigrant Influx			01119-006-FLUX	-	-	-	9,422
Title III			01119-064-PN01	-	-	-	154,861
Total - English Language Acquisition State Grants				-	356,022	-	266,024
Mathematics and Science Partnerships	Indiana Department of Education	84.366					
Title II Part B Math Science Partnership			A58-6-16-CI-3740	-	172,648	-	46,748
Total - Mathematics and Science Partnerships				-	172,648	-	46,748
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II Part A			S367A150013	-	96,111	-	-
Title II Part A			S367A160013	-	42,325	-	133,912
Title II			S367A170013	-	-	-	141,374
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	138,436	-	275,286
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV Part A			S424A170015	-	-	-	16,718
Total - Department of Education				-	7,682,899	-	8,020,029
Total federal awards expended				\$ -	\$ 16,758,384	\$ -	\$ 16,301,966

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
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.



METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
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?	no
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	Unmodified
10.558	Child and Adult Care Food Program	Unmodified
17.274	YouthBuild	Unmodified
84.184	School Safety National Activities	Unmodified
	Special Education Cluster (IDEA)	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$911,811

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2019-001**

Subject: School Safety National Activities - Allowable Costs/Cost Principles  
 Federal Agency: Department of Education  
 Federal Program: School Safety National Activities  
 CFDA Number: 84.184  
 Federal Award Number and Year (or Other Identifying Number): S184M140038  
 Compliance Requirement: Allowable Costs/Cost Principles  
 Audit Findings: Material Weakness, Other Matters

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-009.

*Condition*

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.

Effective controls were not in place to ensure that only applicable employees were paid from program funds. The School Corporation did not maintain proper time records for all full and part-time employees paid from the School Safety National Activities grant.

*Context*

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 200.430(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; . . .
- (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); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management had not developed a system of internal controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement identified above.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance with the grant agreement and 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 related to 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 2019-002**

Subject: YouthBuild - Suspension and Debarment  
Federal Agency: Department of Labor  
Federal Program: YouthBuild  
CFDA Number: 17.274  
Federal Award Number and Year (or Other Identifying Number): YC-25415-14-60-A-18  
Compliance Requirement: Procurement and Suspension and Debarment  
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 2017-006.

*Condition*

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.

The School Corporation did not have internal controls, policies, or procedures in place to ensure that vendors were not suspended or debarred from participation in federal award programs.

The School Corporation did not ensure that vendors were not suspended or debarred from participation in federal award programs.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

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 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.

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*

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance 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 2019-003**

Subject: YouthBuild - Equipment and Real Property Management  
Federal Agency: Department of Labor  
Federal Program: YouthBuild  
CFDA Number: 17.274  
Federal Award Number and Year (or Other Identifying Number): YC-25415-14-60-A-18  
Compliance Requirement: Equipment and Real Property Management  
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 2017-008.

*Condition*

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 Equipment and Real Property Management compliance requirement.

The School Corporation did not have a proper system of internal controls in place to ensure that equipment listings were properly reviewed for accuracy after being entered into the spreadsheet. The School Corporation did not conduct a physical inventory of the property at least once every two years.

*Context*

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). . . ."

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.313(d)(2) states: "A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Equipment and Real Property Management compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Equipment and Real Property Management 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, related to the grant agreement and the compliance requirements listed above. An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

*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: 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): 14216-067-PN01, 14217-067-PN01,  
18611-067-PN01, 19611-067-PN01,  
18619-067-PN01, 19619-067-PN01,  
45717-067-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

An effective internal control system, which would have included 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.

The School Corporation did not maintain adequate time records to support the time charged to the federal award for all employees.

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 200.430(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) 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); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system placed the School Corporation in 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 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, including segregation of duties, related to the grant agreement and the compliance requirements listed above. An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

*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: Special Education Grants to States - Earmarking  
Federal Agency: Department of Education  
Federal Programs: Special Education Grants to States  
CFDA Numbers: 84.027  
Federal Award Numbers and Years (or Other Identifying Numbers): 14216-067-PN01, 14217-067-PN01  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Matching, Level of Effort, Earmarking  
Audit Finding: Material Weakness

*Condition*

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 earmarking requirements.

*Earmarking - Non-Public Proportionate Shares*

The School Corporation did not have internal controls in place to ensure that their expenditures were at least an amount that was the same proportion of the total subgrant as the number of nonpublic school students with disabilities within its boundaries was to the total of students with disabilities of the same age range.



METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The lack of controls 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*

The School Corporation had not established a proper internal control structure that would have ensured compliance with the grant agreement and the Matching, Level of Effort, Earmarking 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 Matching, Level of Effort, Earmarking compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance with the Matching, Level of Effort, Earmarking compliance requirement.

*Views of Responsible Officials*

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2019-006**

Subject: Special Education Cluster (IDEA) - Suspension and Debarment  
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): 14216-067-PN01, 14217-067-PN01,  
18611-067-PN01, 19611-067-PN01,  
18619-067-PN01, 19619-067-PN01,  
45717-067-PN01  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

*Condition*

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.

The School Corporation did not have internal controls, policies, or procedures in place to ensure that vendors were not suspended or debarred from participation in federal award programs.

The School Corporation did not ensure that vendors were not suspended or debarred from participation in federal award programs.

*Context*

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 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.

You do this by:

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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*

Management had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance 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 2019-007**

Subject: Child Nutrition Cluster - Cash Management  
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 2017-2018, FY 2018-2019  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Cash Management  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2017-002 from the immediately prior audit report.

*Condition*

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 Cash Management compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation has not established procedures to monitor the School Lunch fund monthly cash balances (net cash resources) to ensure that it was limited to the three months average expenditures. A review process was not established to document the monitoring of the net cash resources.

*Context*

The lack of controls 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 Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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 would have ensured compliance with the grant agreement and the Cash Management 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 Cash Management 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 related to the grant agreement and the Cash Management compliance requirement.

*Views of Responsible Officials*

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

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2019-008***

Subject: Child Nutrition Cluster - Suspension and Debarment  
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 2017-2018, FY 2018-2019  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
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*

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.

The School Corporation did not have internal controls, policies, or procedures in place to ensure that vendors were not suspended or debarred from participation in federal awards programs.

The School Corporation did not ensure that vendors were not suspended or debarred from participation in federal award programs.

*Context*

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 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.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

You do this by:

- (a) Checking the 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*

Management had not established a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance 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 2019-009**

Subject: Child and Adult Care Food Program - Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Program: Child and Adult Care Food Program

CFDA Number: 10.558

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2017-2018, FY 2018-2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat of Finding 2017-004 from the immediately prior audit report.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

The School Corporation had not established an effective internal control system related to the grant agreement and the requirements for Procurement and Suspension and Debarment compliance requirements. The School Corporation did not have internal controls, policies, or procedures in place to ensure that vendors were not suspended or debarred from participation in federal awards programs.

The School Corporation did not ensure that vendors were not suspended or debarred from participation in federal award programs.

*Context*

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 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.

You do this by:

- (a) Checking the 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*

Management had not established a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system placed the School Corporation in non-compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish controls to ensure compliance 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.



#### AUDITEE-PREPARED DOCUMENTS

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



## METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

### *Administrative Service Center*

6901 Zionsville Road, Indianapolis, Indiana 46268-2467

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Linda J. Searles

*Chief Financial Officer*

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

JULY 1, 2015 – JUNE 30, 2017

***FINDING 2017-001*** Preparation of the Schedule of Expenditures of Federal Awards

Fiscal year in which the finding initially occurred: FY 2016, FY 2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: N/A  
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO  
Contact Phone Number: 317-387-2206

Status of Audit Finding: We have since corrected our error on the SEFA in Gateway. The Assistant CFO and Fiscal Grant Manager now both check not only the figures, but also check that the correct column entry.

***FINDING 2017-002*** Child Nutrition Cluster - Cash Management

Fiscal year in which the finding initially occurred: FY 2016, FY 2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept. of Education  
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO  
Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township is following the Corrective Action Plan and now includes signature sheets to attest we specifically discussed cash balance at our monthly meetings with the Food Service Provider.

***FINDING 2017-003*** Nutrition Cluster – Suspension and Debarment

Fiscal year in which the finding initially occurred: FY 2016 FY 2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept. of Education  
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO  
Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township is following the Corrective Action Plan adding language contracts as a condition of the covered transaction and printing the SAM documentation.

**FINDING 2017-004** Child and Adult Care Food Program - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Equipment, Procurement and Suspension and Debarment, Earmarking

Fiscal year in which the finding initially occurred: FY 2016 FY 2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept. of Education  
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO  
Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township is following the Corrective Action Plan by specifically noting the portion of the FSMC management fees and indirect cost expense to each program.

**FINDING 2017-005** Child and Adult Care Food Program - Reporting

Fiscal year in which the finding initially occurred: FY 2016 FY 2017  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept. of Education  
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO  
Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township software vendor was able to create a "supper" meal count button on the Point of Service (POS), allowing us to claim free suppers at POS verses meal count sheets.

**FINDING 2017-006** YouthBuild – Procurement and Suspension and Debarment

Fiscal year in which the finding initially occurred: FY 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: US Dept. of Labor  
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO  
Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township is following the Corrective Action Plan adding language contracts as a condition of the covered transaction and printing the SAM documentation

**FINDING 2017-007** YouthBuild – Allowable Costs/Cost Principles

Fiscal year in which the finding initially occurred: FY 2015  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: US Dept. of Labor  
Contact Person Responsible for Corrective Action: Linda J. Searles, CFO  
Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township is running salary distribution reports as needed for those employees who are funded 100% from a federal program

**FINDING 2017-008** YouthBuild – Equipment

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: US Dept. of Labor

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township Program Managers worked with high school staff to update the equipment inventory.

**FINDING 2017-009** School Safety National Activities – Allowable Costs/Cost Principles

Fiscal year in which the finding initially occurred: FY 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Dept. of Education

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township now knows that time and effort logs are still required and will require those employees who are charged less than 100% to a federal program to keep time and effort logs.

**FINDING 2017-010** Child Nutrition Cluster – Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Fiscal year in which the finding initially occurred: FY 2016

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Status of Audit Finding: The MSD of Pike Township disagreed with this finding based on emails received from the Indiana Department of Education (IDOE) approving the GCMS kitchen renovation project noted in the finding.



## METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

### *Administrative Service Center*

6901 Zionsville Road, Indianapolis, Indiana 46268-2467

Phone: 317-387-2288 Fax: 317-387-2261

[www.pike.k12.in.us](http://www.pike.k12.in.us)

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**Linda J. Searles**  
*Chief Financial Officer*

### CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Linda J Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding. Unfortunately, the MSD of Pike Township was instructed that Time and Effort Logs were not required after 2015-16 and payroll distribution reports would suffice.

Description of Corrective Action Plan: Now that we are aware that Time and Effort Logs are still required, Time and Effort Logs and Semi-Annual Certifications will be required for all employees partially paid from grants.

Anticipated Completion Date: July 1, 2019



## METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

### *Administrative Service Center*

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www.pike.k12.in.us

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**Linda J. Searles**  
*Chief Financial Officer*

### CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Linda J Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with this finding.

Description of Corrective Action Plan: The MSD of Pike Township has added Suspension and Debarment language to our contract template as a condition of the covered transaction and the Fiscal Grant Manager is also printing the SAM documentation.

Anticipated Completion Date: July 1, 2019

Finding 2019 – 002 is over CFDA# 17.274 Youthbuild Suspension and Debarment – this is a repeat finding of 2017- 006.



## METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

### *Administrative Service Center*

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**Linda J. Searles**  
*Chief Financial Officer*

### CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Linda J Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with this finding.

Description of Corrective Action Plan: The MSD of Pike Township Program Managers have worked with the high school staff to update the equipment inventory.

Anticipated Completion Date: December 1, 2018.

Finding 2019 – 003 is over CFDA# 17.274 Youthbuild Equipment – this is a repeat finding of 2017-008.



## METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

### *Administrative Service Center*

6901 Zionsville Road, Indianapolis, Indiana 46268-2467

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www.pike.k12.in.us

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**Linda J. Searles**  
*Chief Financial Officer*

### CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Linda J Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding. Unfortunately, the MSD of Pike Township was instructed that Time and Effort Logs were not longer required after 2015-16 and payroll distribution reports would suffice.

Description of Corrective Action Plan: Now that we are aware that Time and Effort Logs are still required, Time and Effort Logs and Semi-Annual Certifications will be required for all employees partially paid from grants.

Anticipated Completion Date: July 1, 2019

Finding 2019 – 004 is over CFDA# 84.027 Special Education Cluster - Allowable Costs/ Cost Principles – Adequate time records were not maintained to support the time charged to the federal award by employees not on the Semi-Annual Certifications.





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**Linda J. Searles**  
*Chief Financial Officer*

### CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Linda J Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The MSD of Pike Township will keep supporting documentation such as email communication with non-public schools regarding non-participation and unspent funds. The Program Manager will review and document the communication to ensure the review of the nonpublic schools services.

Anticipated Completion Date: With the next occurrence of unspent fund by a nonpublic school.

Finding 2019 – 005 is over CFDA# 84.027 Special Education Cluster - Earmarking - Non-Public Proportionate Shares - The School Corporation did not have internal controls in place to ensure that their expenditures were at least an amount that was the same proportion of the total subgrant as the number of nonpublic school students with disabilities within its boundaries was to the total of students with disabilities of the same age range.



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Aaron V. Groves  
*Fiscal Grant Manager*

### CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Linda J Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding. The MSD of Pike Township has assured that the suspension and debarment language is in the FSMC contract. Unfortunately, the SAM system verification did not occur on direct purchases from our Food Service Fund. We did check the SAM system for required contractors in arears and no vendors were suspended or debarred.

Description of Corrective Action Plan: The MSD of Pike Township will be adding a clause to all future contracts as a condition to the covered transaction with the vendor. The Fiscal Grant Manager will verify and print SAM documentation on a quarterly basis for the required vendors.

Anticipated Completion Date: Implemented July 1, 2019. The Fiscal Grant Manager began filing the signed and printed SAM documents on December 13, 2019.

Finding 2019 – 006 is over CFDA# 84.027 Special Education Cluster – Suspension and Debarment - The School Corporation did not have internal controls, policies, or procedures in place to ensure that vendors were not suspended and debarred from participation in federal award programs.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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Aaron V. Groves  
*Fiscal Grant Manager*

### CORRECTIVE ACTION PLAN

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

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding. The Superintendent and the CFO meet monthly with the FSMC District Manager and Regional Manager to complete a monthly financial review of the MSD of Pike Township Food Service Fund and financial reports. In every meeting, we review the details of the financial reports (including cash balance). We also review meal counts and separate agenda items as needed. Each individual in attendance signs documentation verifying attendance. The MSD of Pike Township also communicates with the IDOE regarding planned use of any excess cash and received approval for the planned use of excess cash during the audit period.

Description of Corrective Action Plan: In addition to the above monthly meetings, signatures and IDOE communication, the MSD of Pike Township will also specifically add language to the meeting signature page stating that we discussed cash balance when we meet for the financial review.

Anticipated Completion Date: Implemented with the 10/26/2018 financial review meeting.

Finding 2019 – 007 is over Child Nutrition Cluster – Cash Management – this is a repeat finding of 2017 – 002.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



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Aaron V. Groves  
*Fiscal Grant Manager*

### CORRECTIVE ACTION PLAN

#### **FINDING 2019-008**

Contact Person Responsible for Corrective Action: Linda J. Searles, CFO

Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding. The MSD of Pike Township has assured that the suspension and debarment language is in the FSMC contract. Unfortunately, the SAM system verification did not occur on direct purchases from our Food Service Fund. We did check the SAM system for required contractors in arears and no vendors were suspended or debarred.

Description of Corrective Action Plan: The MSD of Pike Township will be adding a clause to all future contracts as a condition to the covered transaction with the vendor. The Fiscal Grant Manager will verify and print SAM documentation on a quarterly basis for the required vendors.

Anticipated Completion Date: Implemented July 1, 2019. The Fiscal Grant Manager began filing the signed and printed SAM documents on December 13, 2019.

Finding 2019 – 008 is over Child Nutrition Cluster – Suspension an Debarment - this is a repeat find of 2017-003.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



*Fiscal Grant Manager*

## METROPOLITAN SCHOOL DISTRICT OF PIKE TOWNSHIP

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Aaron V. Groves

### CORRECTIVE ACTION PLAN

#### ***FINDING 2019 – 009***

Contact Person Responsible for Corrective Action: Linda J Searles, CFO  
Contact Phone Number: 317-387-2206

Views of Responsible Official: We concur with the finding. The MSD of Pike Township has assured that the suspension and debarment language is in the FSMC contract. Unfortunately, the SAM system verification did not occur on direct purchases from our Food Service Fund. We did check the SAM system for required contractors in arears and no vendors were suspended or debarred.

Description of Corrective Action Plan: The MSD of Pike Township will be adding a clause to all future contracts as a condition to the covered transaction with the vendor. The Fiscal Grant Manager will verify and print SAM documentation on a quarterly basis for the required vendors.

Anticipated Completion Date: Implemented July 1, 2019. The Fiscal Grant Manager began filing the signed and printed SAM documents on December 13, 2019.

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

## 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/>.