

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

GREATER RANDOLPH INTERLOCAL COOPERATIVE

RANDOLPH COUNTY, INDIANA

July 1, 2017 to June 30, 2019



FILED
09/21/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jan Hinty	07-01-17 to 06-30-21
Director	Lisa Waber	07-01-17 to 06-30-21
President of the School Board	Bryan Rausch	07-01-17 to 06-30-21



STATE OF INDIANA
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TO: THE OFFICIALS OF THE GREATER RANDOLPH INTERLOCAL
COOPERATIVE, RANDOLPH COUNTY, INDIANA

This report is supplemental to our audit report of the Greater Randolph Interlocal Cooperative (School Corporation), for the period from July 1, 2017 to June 30, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

August 6, 2020

GREATER RANDOLPH INTERLOCAL COOPERATIVE
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

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

During the audit period, the School Corporation had one employee who prepared daily deposits and prepared a listing of receipts for posting into the ledger. No evidence was presented for audit that a second review of the receipts was performed prior to depositing and posting into the ledger. The lack of internal controls was a systemic issue, occurring 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.

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. . . ."

GREATER RANDOLPH INTERLOCAL COOPERATIVE
EXIT CONFERENCE

The contents of this report were discussed on August 6, 2020, with Lisa Waber, Director; Jan Hinty, Treasurer; and Bryan Rausch, President of the School Board.