

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

SOUTHSIDE SPECIAL SERVICES OF MARION COUNTY

MARION COUNTY, INDIANA

July 1, 2017 to June 30, 2019



**FILED**  
10/26/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager	Andy Carlton	01-01-17 to 06-30-21
Executive Director	Dr. Scott Carson	01-01-17 to 06-30-21
President of the Governing Board	Dr. Paul Kaiser	01-01-17 to 06-30-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE SOUTHSIDE SPECIAL SERVICES  
MARION COUNTY, MARION COUNTY, INDIANA

This report is supplemental to our audit report of the Southside Special Services of Marion County (School Corporation), for the period from July 1, 2017 to June 30, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at [www.in.gov/sboa/](http://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 Results and Comments contained herein describe the identified reportable instances 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

September 9, 2020

SOUTHSIDE SPECIAL SERVICES OF MARION COUNTY  
AUDIT RESULTS AND COMMENTS

**TRANSFERS TO EDUCATION AND OPERATIONS FUNDS**

*Condition and Context*

As of June 30, 2019, there was a remaining balance of \$8,706 in the Capital Projects fund. The Capital Projects fund balance had not been properly transferred to the Operations fund in accordance with Indiana Code 20-40-18-1.

*Criteria*

Indiana Code 20-40-2-7(a) states: "On January 1, 2019, the balance, as of December 31, 2018, in the school corporation's general fund shall be transferred to the education fund."

Indiana Code 20-40-18-1 states: "The governing body of each school corporation shall create an operations fund to be used by the school corporation after December 31, 2018."

**INTERNAL CONTROLS**

*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 separated incompatible activities over cash and investments and receipts.

*Cash and Investments*

While there were internal control procedures developed over cash and investments, there was no evidence of a review, oversight, or approval process to ensure the accuracy of the reconciliations.

SOUTHSIDE SPECIAL SERVICES OF MARION COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

*Receipts*

While there were internal control procedures developed over receipts, there was no evidence of a review, oversight, or approval process to ensure that recorded receipts agree to corresponding deposits.

*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. . . ."

SOUTHSIDE SPECIAL SERVICES OF MARION COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2020, with Andy Carlton, Business Manager; Dr. Scott Carson, Executive Director; and Dr. Paul Kaiser, President of the Governing Board.