

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

GARRETT-KEYSER-BUTLER
COMMUNITY SCHOOL DISTRICT
DEKALB COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

03/03/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Pamela S. Good Brittany L. Treesh	07-01-18 to 06-30-19 07-01-19 to 06-30-21
Superintendent of Schools	Tonya K. Weaver	07-01-18 to 06-30-21
President of the School Board	Larry W. Getts, Jr. Wayne E. Funk Tamara L. Best	01-01-18 to 12-31-18 01-01-19 to 12-31-20 01-01-21 to 12-31-21



STATE OF INDIANA
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TO: THE OFFICIALS OF THE GARRETT-KEYSER-BUTLER COMMUNITY
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

This report is supplemental to our audit report of the Garrett-Keyser-Butler Community School District (School Corporation), for the period from July 1, 2018 to June 30, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

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

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

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

February 24, 2021

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
AUDIT RESULT AND COMMENT

FINANCIAL TRANSACTIONS AND REPORTING

Condition and Context

There was a deficiency 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. The incoming Treasurer for the 2019-2020 school year posted receipts into the accounting program without evidence of an oversight, approval, or review process to ensure receipts were accurately posted.

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. . . ."

GARRETT-KEYSER-BUTLER COMMUNITY SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 24, 2021, with Brittany L. Treesh, Treasurer; Tonya K. Weaver, Superintendent of Schools; and Tamara L. Best, President of the School Board.