

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WEST CENTRAL SCHOOL CORPORATION

PULASKI COUNTY, INDIANA

July 1, 2018 to June 30, 2020



**FILED**

03/15/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Bonnie K. Koebcke Shannon Fritz	07-01-18 to 12-01-19 12-02-19 to 12-31-21
Superintendent of Schools	Don Street Dan Zylstra	07-01-18 to 06-30-19 07-01-19 to 06-30-21
President of the School Board	Todd Miller Jeff Lowry	07-01-18 to 12-31-19 01-01-20 to 12-31-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE WEST CENTRAL SCHOOL  
CORPORATION, PULASKI COUNTY, INDIANA

This report is supplemental to our audit report of the West Central School Corporation (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/](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

March 10, 2021

WEST CENTRAL SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

**ADVANCED PAYMENTS - COMPENSATION**

*Condition and Context*

The School Corporation employees are paid an approved fiscal amount over the number of pay periods in the fiscal year. This method has resulted in compensation being paid in advance of services being performed. The approved salaries for the fiscal years ending June 30, 2019, and June 30, 2020, were paid in full with checks issued on June 21, 2019, and June 19, 2020, respectively.

*Criteria*

Compensation and any other payments for goods and services must not be paid in advance of receipt of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

**ERRORS ON CLAIMS**

*Condition and Context*

Of the disbursements tested, 41 percent did not have approval from the officer or person receiving the goods and service. The attached "claim," invoice, or Accounts Payable Voucher had no indication of approval. Payment should not be made without prior approval from the officer or person receiving the goods and service.

*Criteria*

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

WEST CENTRAL SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

**TRAINING AND CERTIFICATION ON INTERNAL CONTROL STANDARDS**

*Condition and Context*

The School Corporation failed to ensure that training was provided for all applicable personnel over the internal control standards adopted as required by Indiana Code 5-11-1-27(g). However, the School Corporation certified on the Indiana Gateway for Government Units financial reporting system that they had provided personnel with internal control training, but did not provide any documentation that personnel had completed training over internal control standards.

*Criteria*

Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

**LATE SUBMISSION OF ANNUAL FINANCIAL REPORT**

*Condition and Context*

The School Corporation's Annual Financial Report for fiscal year 2018-2019 was not filed electronically until October 28, 2019, which was 60 days past the due date.

*Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

WEST CENTRAL SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 10, 2021, with Dan Zylstra, Superintendent of Schools; Shannon Fritz, Treasurer; Bonnie K. Koebcke, former Treasurer; and Jeff Lowry, President of the School Board.