

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
UNION TOWNSHIP SCHOOL CORPORATION
PORTER COUNTY, INDIANA
July 1, 2018 to June 30, 2020



FILED
04/13/2021

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|---------------------------------------------------|----------------------------------------------------------------------|
| Treasurer | Pamela Buksar Philip McKelvey | 07-01-18 to 06-30-19 07-01-19 to 06-30-21 |
| Superintendent of Schools | John Hunter | 07-01-18 to 06-30-21 |
| President of the School Board | Robert Gilliana Stacey Buehler Julie Giorgi | 07-01-18 to 12-31-18 01-01-19 to 12-31-19 01-01-20 to 06-30-21 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE UNION TOWNSHIP SCHOOL
CORPORATION, PORTER COUNTY, INDIANA

This report is supplemental to our audit report of the Union Township 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/.

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

March 31, 2021

UNION TOWNSHIP SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Condition and Context

There was a deficiency in the internal control system of the School Corporation related to financial transactions classified as Other Financing Sources and Uses for transfers between funds.

The School Corporation had not properly designed or implemented internal controls over recording transactions for transfers between funds to ensure the accuracy of the ledgers. Transfers between funds were recorded to the financial system by one individual without a documented system of oversight or review.

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. . . ."

Union Township School Corporation

Mr. John Hunter, ED. S.
Superintendent

Mr. Jack Birmingham, ED. S.
Assistant Superintendent

599 W 300 N, Suite A
Valparaiso, IN 46385
Phone: (219) 759-2531 -- Fax: (219) 759-3250
www.union.k12.in.us
"Every Student. Every Day"

OFFICIAL RESPONSE

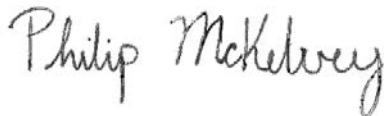
Date: 4/6/21

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: INTERNAL CONTROLS

Though there have been no inaccuracies, in order to prevent this from happening, Union Township School Corporation is instilling a double signature process for Internal Controls as it applies to transfers from one fund to another. The Business Manager and Superintendent will both sign off on any transfer made.

Correction Date: 3/31/2021



Philip McKelvey
Business Manager

Board of Trustees

Julie Giorgi, President

Michael Simatovich, Vice President

Stacey Buehler, Secretary

Bob Tichy, Deputy Secretary

Lori McLaughlin, Member

UNION TOWNSHIP SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on March 31, 2021, with Philip McKelvey, Treasurer; John Hunter, Superintendent of Schools; and Julie Giorgi, President of the School Board.