

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

BROWN COUNTY SCHOOLS

BROWN COUNTY, INDIANA

July 1, 2018 to June 30, 2020



**FILED**  
04/26/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Julia Smith	07-01-18 to 06-30-21
Superintendent of Schools	Dr. Laura Hammack	07-01-18 to 06-30-21
President of the School Board	Steve Miller, Jr. Carolyn Bowden	07-01-18 to 12-31-19 01-01-20 to 06-30-21



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Brown County Schools (School Corporation), for the period of July 1, 2018 to June 30, 2020, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated April 15, 2021, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

April 15, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE BROWN COUNTY SCHOOLS, BROWN COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

We have audited the Brown County Schools' (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2018 to June 30, 2020. The School Corporation's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the School Corporation's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

***Opinion on the Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the period of July 1, 2018 to June 30, 2020.

**Report on Internal Control over Compliance**

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002, that we consider to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2018 to June 30, 2020, and the related notes to the financial statement. We issued our report thereon dated April 15, 2021, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

  
Paul D. Joyce, CPA  
State Examiner

April 15, 2021

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

BROWN COUNTY SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2019 and 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program							
	Indiana Department of Education	10.553					
	School Breakfast Program 2018-2019		FY 18-19	\$ -	\$ 154,440	\$ -	\$ -
	School Breakfast Program 2019-2020		FY 19-20	-	-	-	83,731
COVID-19 School Breakfast Program							
	Indiana Department of Education	10.553					
	School Breakfast Program 2019-2020		FY 19-20	-	-	-	6,829
	Total -School Breakfast Program			-	154,440	-	90,560
National School Lunch Program							
	Indiana Department of Education	10.555					
	School Lunch Program 2018-2019		FY 18-19	-	509,369	-	-
	School Snack Program 2018-2019		FY 18-19	-	13,185	-	-
	School Lunch Program 2019-2020		FY 19-20	-	-	-	302,500
	School Snack Program 2019-2020		FY 19-20	-	-	-	7,601
	Commodities		FY 18-19	-	77,389	-	-
	Commodities		FY 19-20	-	-	-	125,757
	Sub-Total - National School Lunch Program			-	599,943	-	435,858
COVID-19 National School Lunch Program							
	Indiana Department of Education	10.555					
	School Lunch Program 2019-2020		FY 19-20	-	-	-	24,409
	Total - National School Lunch Program			-	599,943	-	460,267
Summer Food Service Program for Children							
	Indiana Department of Education	10.559					
	Summer Feeding Program 2018-2019		FY 18-19	-	16,312	-	10,202
COVID-19 Summer Food Service Program for Children							
	Indiana Department of Education	10.559					
	Summer Feeding Program 2019-2020		FY 19-20	-	-	-	220,634
	Total - Summer Food Service Program for Children			-	16,312	-	230,836
	Total - Child Nutrition Cluster			-	770,695	-	781,663
Child and Adult Care Food Program							
	Indiana Department of Education	10.558					
	Child and Adult Food 2019-2020		FY 19-20	-	-	-	6,234
	Total - Department of Agriculture			-	770,695	-	787,897

BROWN COUNTY SCHOOLS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2019 and 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-19	Total Federal Awards Expended 06-30-19	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20
<b>Department of Education</b>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
Special Education Part B 2017-2018			18611-085-PN01	-	111,426	-	-
Special Education Part B 2018-2019			19611-085-PN01	-	419,283	-	69,951
Special Education Part B 2019-2020			20611-085-PN01	-	-	-	399,149
Total - Special Education Grants to States				-	530,709	-	469,100
Special Education Preschool Grants	Indiana Department of Education	84.173					
Special Education Preschool 2018-2019			19619-085-PN01	-	15,266	-	-
Special Education Preschool 2019-2020			20619-085-PN01	-	-	-	15,475
Total - Special Education PreSchool Grants				-	15,266	-	15,475
Total - Special Education Cluster (IDEA)				-	545,975	-	484,575
Teacher and School Leader Incentive Grants NIET Grant	National Institute for Excellence in Teaching	84.374					
			U374A190013	-	-	-	23,730
Adult Education - Basic Grants to States CRC Adult Ed Program	Monroe County Community School Corporation	84.002					
			V002a190014	-	-	-	26,161
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I 2017-2018			S010A170014	-	84,572	-	-
Title I 2018-2019			S010A180014	-	254,422	-	107,782
Title I 2019-2020			S010A190014	-	-	-	229,573
Title IV Part A transferred to Title I			2018-424-015	-	-	-	26,089
Total - Title I Grants to Local Educational Agencies				-	338,994	-	363,444
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
Title II A 2017-2018			S367A170013	-	29,725	-	-
Title II A 2018-2019			S367A180013	-	59,185	-	2,231
Title II A 2019-2020			s367A190013	-	-	-	43,232
Total - Supporting Effective Instruction State Grants				-	88,910	-	45,463
Student Support and Academic Enrichment Program Title IV Part A	Indiana Department of Education	84.424					
			S424A170015	-	19,018	-	10,499
Total - Department of Education				-	992,897	-	953,872
Total federal awards expended				\$ -	\$ 1,763,592	\$ -	\$ 1,741,769

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

BROWN COUNTY SCHOOLS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Summary of Significant Accounting Policies**

*A. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2019 and 2020. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

*B. Other Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

**Note 2. Indirect Cost Rate**

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

BROWN COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

Name of Federal Program or Cluster	Opinion Issued
Child Nutrition Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

No matters are reportable.

BROWN COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2020-001**

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income, Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 School Breakfast Program, National School Lunch Program, COVID-19 National School Lunch Program, Summer Food Service Program for Children, COVID-19 Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 19-20

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income, Procurement and Suspension and Debarment

Audit Finding: Material Weakness

*Condition and Context*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income, and Procurement and Suspension and Debarment compliance requirements.

The School Corporation contracted with a food service management company to purchase program supplies and services. The School Corporation did not have a process to review or approve purchases made by the food service management company to ensure that program funds were allowable and, therefore, proper uses of program income. Additionally, the School Corporation did not adequately monitor the invoices or supporting documentation to ensure all goods and services were received as stated.

The lack of internal controls was isolated to fiscal year 2019-2020.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

BROWN COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management had not developed a system of internal controls that provided oversight of the food service management company, which would have ensured compliance with the compliance requirements listed above.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could also allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income, and Procurement and Suspension and Debarment compliance requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2020-002**

Subject: Child Nutrition Cluster - Cash Management, Eligibility,  
Special Tests and Provisions - Paid Lunch Equity

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, COVID-19 School Breakfast Program,  
National School Lunch Program, COVID-19 National School Lunch  
Program, Summer Food Service Program for Children, COVID-19  
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 18-19, FY 19-20

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Eligibility, Special Tests  
and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

*Condition and Context*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the following compliance requirements:

BROWN COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cash Management*

An effective internal control system was not in place at the School Corporation to ensure that the balance in the School Lunch fund, which represents the net cash resources, did not exceed a three-month average of School Lunch fund expenditures.

*Eligibility*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that there was proper segregation of duties related to the direct certification of students. One employee was solely responsible for uploading the direct certification list into the School Corporation's school lunch software without an oversight or review process in place to ensure that the information in the School Corporation's computer system for direct certified students was correct.

*Special Tests and Provisions - Paid Lunch Equity*

The School Corporation had not designed or implemented adequate policies and procedures to ensure that there was proper segregation of duties related to Special Tests and Provisions - Paid Lunch Equity. One employee was solely responsible for the information entered into the Paid Lunch Equity Calculator without an oversight or review process in place to ensure that the School Corporation complied with Paid Lunch Equity requirements.

The lack of internal controls was a systemic issue throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the compliance requirements listed above.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could also allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

BROWN COUNTY SCHOOLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal controls to ensure compliance and comply with the grant agreement and the Cash Management, Eligibility, and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



BROWN COUNTY  
SCHOOLS  
NASHVILLE, INDIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2018-001 PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

Fiscal year in which the finding initially occurred: 2014

Status of Audit Finding:

Effective July 2019, The Treasurer obtains copies for all grant documents and notes which ones are federal grants. The Treasurer prepares the Schedule of Expenditures of Federal Awards (SEFA). The SEFA is reviewed by the Business Manager and/or the Superintendent for accuracy as well as the Director of the federal program to ensure the reliability of the information submitted on the SEFA.

Julia Smith  
Treasurer  
4/14/2021



BROWN COUNTY  
SCHOOLS  
NASHVILLE, INDIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2018-002 SCHOOL BREAKFAST PROGRAM, NATIONAL SCHOOL LUNCH PROGRAM – PROGRAM INCOME***

Status of Audit Finding:

Effective July 2019, The Foodservice Director prints and keeps monthly reports from the Foodservice Point of Sale program and keeps those records until audited.

Julia Smith  
Treasurer  
4/14/2021



**BROWN COUNTY  
SCHOOLS**  
NASHVILLE, INDIANA

**CORRECTIVE ACTION PLAN**

***FINDING 2020-001***

Contact Person Responsible for Corrective Action: Julia Smith  
Contact Phone Number: 812-988-6601x1130

Views of Responsible Official:  
We concur with this finding

Description of Corrective Action Plan:

The Foodservice Director will put in place an internal controls procedure that will ensure compliance with the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Program Income and Procurement, Suspension and Debarment compliance requirements. The Foodservice Director will obtain copies of all expenses billed to the school corporation by the Foodservice Management Company and have all supporting documentation attached with two signatures verifying the allowed expenses.

Anticipated Completion Date:  
Effective immediately at the conclusion of the 2018-2020 Audit



**BROWN COUNTY  
SCHOOLS**  
NASHVILLE, INDIANA

**CORRECTIVE ACTION PLAN**

***FINDING 2020-002***

Contact Person Responsible for Corrective Action: Julia Smith

Contact Phone Number: 812-988-6601x1130

Views of Responsible Official:

We concur with this finding

Description of Corrective Action Plan:

The Foodservice Director will put in place an internal controls procedure that will ensure segregation of duties.

Cash Management:

The Director of Foodservice will make sure to create a spreadsheet and track the three-month average of school lunch expenditures. The spreadsheet will be given to the Administrative Assistant to verify. Both will sign off and it will be filed for future reference.

Eligibility:

The Foodservice Director will download the direct certification eligibility report and give it to the Administrative assistant to verify that the student's eligibility is correctly documented in the school lunch software. Both will sign off and it will be filed for future reference.

Special Tests and Provisions – Paid Lunch Equity:

The Foodservice Director will enter the information into the Paid Lunch Equity Calculator and give it to the Administrative Assistant to verify. Both will sign off and it will be filed for future reference.

Anticipated Completion Date:

Effective immediately at the conclusion of the 2018-2020 Audit

## OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.