

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION

CRAWFORD COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

05/04/2021

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
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 <i>Government Auditing Standards</i>	3-4
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5-7
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	10-11
Notes to Schedule of Expenditures of Federal Awards.....	12
Schedule of Findings and Questioned Costs.....	13-16
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	18-22
Corrective Action Plan	23
Other Reports.....	24

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Tina L. Key	07-01-18 to 06-30-21
Superintendent of Schools	Michael Key	07-01-18 to 06-30-21
President of the School Board	Lance Stroud Dennis Talley Troy Wheeler	07-01-18 to 12-31-18 01-01-19 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 CRAWFORD COUNTY COMMUNITY
SCHOOL CORPORATION, CRAWFORD 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 Crawford County Community School Corporation (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 27, 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 27, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION, CRAWFORD COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Crawford County Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2018 to June 30, 2020. The School Corporation's major federal programs are 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 each of the School Corporation's major federal programs 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 each 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 EACH 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 Each 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 each of its major federal programs for the period of July 1, 2018 to June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001. Our opinion on the major federal program is not modified with respect to this matter.

The School Corporation's response to the noncompliance 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.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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 item 2020-001, that we consider to be material weaknesses.

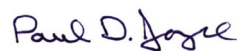
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

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.

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 27, 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 27, 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.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
 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			FY 2018-19	\$ -	\$ 168,559	\$ -	\$ -
School Breakfast Program			FY 2019-20	-	-	-	140,898
				<u>-</u>	<u>-</u>	<u>-</u>	<u>140,898</u>
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			FY 2019-20	-	-	-	11,352
				<u>-</u>	<u>-</u>	<u>-</u>	<u>11,352</u>
Total - School Breakfast Program				<u>-</u>	<u>168,559</u>	<u>-</u>	<u>152,250</u>
National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 2018-19	-	447,181	-	-
National School Lunch Program			FY 2019-20	-	-	-	357,740
Commodities			FY 2018-20	-	73,323	-	53,481
				<u>-</u>	<u>520,504</u>	<u>-</u>	<u>411,221</u>
Sub-Total - National School Lunch Program				<u>-</u>	<u>520,504</u>	<u>-</u>	<u>411,221</u>
COVID-19 National School Lunch Program	Indiana Department of Education	10.555					
National School Lunch Program			FY 2019-20	-	-	-	26,818
				<u>-</u>	<u>-</u>	<u>-</u>	<u>26,818</u>
Total - National School Lunch Program				<u>-</u>	<u>520,504</u>	<u>-</u>	<u>438,039</u>
Summer Food Service Program for Children	Indiana Department of Education	10.559					
Summer Food Service Program for Children			FY 2018-19	-	30,087	-	-
Summer Food Service Program for Children			FY 2019-20	-	-	-	34,343
				<u>-</u>	<u>-</u>	<u>-</u>	<u>34,343</u>
COVID-19 - National Summer Food Service Program	Indiana Department of Education	10.559					
Summer Food Service Program for Children			FY 2019-20	-	-	-	315,049
				<u>-</u>	<u>-</u>	<u>-</u>	<u>315,049</u>
Total - Summer Food Service Program for Children				<u>-</u>	<u>30,087</u>	<u>-</u>	<u>349,392</u>
Total - Child Nutrition Cluster				<u>-</u>	<u>719,150</u>	<u>-</u>	<u>939,681</u>
Total - Department of Agriculture				<u>-</u>	<u>719,150</u>	<u>-</u>	<u>939,681</u>
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
FY 2017 Federal Part B 611 Grant			14217-054-PN01	-	165	-	-
FY 2018 Federal Part B 611 Grant			18611-054-PN01	-	184,449	-	418
FY 2019 Federal Part B 611 Grant			19611-054-PN01	-	232,530	-	173,397
FY 2020 Federal Part B 611 Grant			20611-054-PN01	-	-	-	210,403
				<u>-</u>	<u>-</u>	<u>-</u>	<u>210,403</u>
Total - Special Education Grants to States				<u>-</u>	<u>417,144</u>	<u>-</u>	<u>384,218</u>

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
 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
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY 2017 Federal Preschool 619 Grant			45717-054-PN01	-	1,242	-	-
FY 2018 Federal Preschool 619 Grant			18619-054-PN01	-	5,930	-	31
FY 2019 Federal Preschool 619 Grant			19619-054-PN01	-	11,434	-	6,319
FY 2020 Federal Preschool 619 Grant			20619-054-PN01	-	-	-	9,606
Total - Special Education Preschool Grants				-	18,606	-	15,956
Total - Special Education Cluster (IDEA)				-	435,750	-	400,174
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I School Improvement			S010A170014	-	9,347	-	-
Title I - FY 2018			S010A170014	-	62,965	-	-
Title I - FY 2019			S010A180014	-	336,508	-	138,141
Title I - FY 2020			S010A190014	-	-	-	326,958
Total - Title I Grants to Local Educational Agencies				-	408,820	-	465,099
Twenty-First Century Community Learning Centers FY 18 21st Century Boys & Girls	Indiana Department of Education	84.287	S287C160014	-	6,692	-	-
Rural Education	Indiana Department of Education	84.358					
Title VI - Rural and Low Income Schools FY17			S424A170015	-	27,878	-	-
Title VI - Rural and Low Income Schools FY18			S424A180015	-	-	-	30,133
Title VI - Rural and Low Income Schools FY19			S424A190015	-	-	-	28,727
Total - Rural Education				-	27,878	-	58,860
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367					
FY17 Title II Part A			S367A170013	-	64,745	-	1,387
FY18 Title II Part A			S367A180013	-	-	-	68,675
Total - Supporting Effective Instruction State Grants				-	64,745	-	70,062
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
FY18 Title IV Student Support			S424A180015	-	20,045	-	12,003
FY19 Title IV Student Support			S424A190015	-	-	-	25,674
Total - Student Support and Academic Enrichment Program				-	20,045	-	37,677
Total - Department of Education				-	963,930	-	1,031,872
Total federal awards expended				\$ -	\$ 1,683,080	\$ -	\$ 1,971,553

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

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
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.

Note 3. Special Education Cooperative

The School Corporation is a member of the South Central Area Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
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 programs:	
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 Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
	Title I Grants to Local Educational Agencies	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.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2020-001

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants
CFDA Numbers: 84.027, 84.173
Federal Award Numbers and Years (or Other Identifying Numbers): 14217-054-PN01, 18611-054-PN01,
19611-054-PN01, 45717-054-PN01,
18619-054-PN01, 19619-054-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-008.

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation was a participating member school of the South Central Area Special Education Cooperative (Cooperative). The Cooperative operated the special education program on behalf of the School Corporation and managed the special education grant funds. Because the grant agreements were between the Indiana Department of Education and each member of the Cooperative, the School Corporation was ultimately responsible for ensuring compliance with the requirements.

During fiscal year 2018-2019, there was inadequate oversight performed by the School Corporation over the procurement and suspension and debarment practices of the Cooperative.

Procurement

The Cooperative did not obtain price or rate quotations from an adequate number of qualified sources, and full and open competition was not provided for purchases that fell within the small purchases requirement. Documentation was not provided to show that consideration was given to the reasonableness of prices of purchases made, and full and open competition was not provided for purchases that fell within the micro-purchase requirement.

The Cooperative had a written procurement policy; however, it did not reflect the required state and federal laws and regulations.

The Cooperative did not maintain written standards of conduct covering conflicts of interest concerning employees engaged in the selection, award, and administration of contracts supported by federal awards.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Suspension and Debarment

The Cooperative's Director signed the Application and Assurance Plan as a condition of federal assistance, which stated that the Cooperative would verify that contractors were not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal agency, or by any department, agency, or political subdivision of the State of Indiana. However, the School Corporation did not have procedures in place to monitor that the Cooperative verified that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction with them.

There were two contracts during 2018-2019 that exceeded \$25,000; however, the Cooperative could not provide documentation to show that the vendor was not suspended or debarred prior to entering into covered transactions with these vendors.

The lack of controls, supporting documentation for small purchases requirements, adequate written procurement policy, and written conflict of interest policy were isolated to 2018-2019.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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). . . ."

2 CFR 200.318 states in part:

"(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part. . . ."

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. . . ."

2 CFR 200.318(c)(1) states in part: "The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. . . ."

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . .

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

2 CFR 180.300 states:

"When covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person you enter into a; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not designed or implemented an effective internal control system related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

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 with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001

Fiscal year in which the finding initially occurred: 2012-2013
Contact Person Responsible for Corrective Action: Assistant Superintendent
Contact Phone Number: 812-365-2135

Status of Audit Finding: Since the fiscal year 2018 audit finding, we believed that the errors in reporting of the Schedule of Expenditures for Federal Awards had been retroactively corrected and corrective action has been taken to ensure all expenditures for federal awards are included correctly on the annual SEFA report in Gateway. The Assistant Superintendent now has a complete understanding of the requested information and works with the Food Service Director, Title I Director and the Special Education Coop to ensure that information is accurate and complete before submission through Gateway. Each year, the Assistant Superintendent prepares the list of all federal awards and completes the Schedule of Expenditures for Federal Awards as required at the end of each fiscal year. The Assistant Treasurer will be provided with the list of all federal awards for the fiscal year and will review all documentation supporting the Schedule's content for accuracy and completeness prior to the Schedule's submission.

FINDING 2018-002

Fiscal year in which the finding initially occurred: 2014-2015
Contact Person Responsible for Corrective Action: Treasurer
Contact Phone Number: 812-365-2135

Status of Audit Finding: At the end of each month, the Assistant Treasurer has submitted a copy of the Employee Benefit Trust bank statement that includes all fund receipts and disbursements to the Crawford County Board of Trustees for approval by the Allowance of Vouchers Form. Additionally, the Employee Benefit Trust Bank Reconciliation, Receipts and Voucher Processes were converted in September 2019 to the financial software when CCCSC transitioned to the Komputrol web-based System. The Treasurer has also prepared the Employee Benefit Trust Financial Information for the SBOA in the form 13 process for the beginning of the 2018-2020 audit.



FINDING 2018-003

Fiscal year in which the finding initially occurred: 2016-2017
Contact Person Responsible for Corrective Action: Food Service Director
Contact Phone Number: 812-365-2125

Status of Audit Finding: The Food Service Director prepared the 2018-2019 verification files. The Assistant Superintendent reviewed and signed that he had reviewed these files. The Assistant Superintendent will review these files each year that we are required to collect free/reduced meal applications and perform verification. We were approved for CEP starting the 2019-2020 SY. All of our students receive free meals under CEP and we do not collect free/ reduced meal applications. Verification is not required by DOE since we do not collect free/reduced meal applications. We are approved for CEP for four years. If we still qualify after that time We plan to reapply.

The Food Service Director completed the PLE tool and the Assistant Superintendent reviewed it. We agreed that we would apply for a PLE exemption. The Food Service Director submitted the PLE tool on 06-13-2019 into the CNP website. We were approved to be a CEP corporation for the 2019/2020 SY and the exemption was not necessary.

FINDING 2018-004

Fiscal year in which the finding initially occurred: 2016-2017
Contact Person Responsible for Corrective Action: Treasurer
Contact Phone Number: 812-365-2135

Status of Audit Finding: The Treasurer and the Assistant Treasurer have submitted Personal Activity Reports monthly that comply with the Allowable Costs/Cost Principles Federal compliance requirement and reflect the total activity for which the Treasurer and the Assistant Treasurer are compensated by the Federal entity. Additionally, these Personal Activity Reports have been approved by the Superintendent and incorporated into official records.



FINDING 2018-005

Fiscal year in which the finding initially occurred: 2016-2017
Contact Person Responsible for Corrective Action: Food Service Director
Contact Phone Number: 812-365-2125

Status of Audit Finding: We completed my 2019-2020 school year procurement. We sent out RFP's to all distributors in the area. We advertised in the newspaper. We posted the RFP on the Crawford County School Corporation Website After receiving the responses, the Food Service Director composed the results based on the criteria we had set and went over those results with the Assistant Treasurer. Bids were awarded based on meeting the criteria. We had a bid extension of one-year possibility in our 2019-2020 RFP. The Food Service Director talked with the Assistant Treasurer and we agreed that an extension would be a good idea for the 2020-2021 SY. The COVID Pandemic was hitting hard at the time that we would be preparing to send out the RFP's. Most people were sheltered in place. The food service director and a handful of cooks were figuring out how to feed our school children during this pandemic. The Food Service Director contacted the companies and each one agreed to the bid extension. We also participated in the SW Indiana Co-Op bread, milk, and commodity bids for 2019-2020 and 2020-2021. IDOE has implemented a procurement plan that NSLP participants must use.

All food service purchases are submitted to the Food Service Director. The Food Service Director reviews purchases and prepares purchase orders for those purchases. The Purchase Orders are then submitted to the Assistant Treasurer for review and payment.

FINDING 2018-006

Fiscal year in which the finding initially occurred: 2016-2017
Contact Person Responsible for Corrective Action: Title I Director
Contact Phone Number: 812-365-2135

Status of Audit Finding: The IAESC Procurement Site is the first and primary source for purchase of supplies for Federal Grants. All requisitions are reviewed by the Title I Director and Assistant Treasurer to ensure that they are made through the IAESC Procurement Site when possible. Occasionally items are not available on the Procurement Site, are only available through specific vendors, or are less expensive through other vendors. When items/services are purchased outside of the Procurement Site, the Title I Director and/or Assistant Treasurer will maintain documentation of the reason (specific vendors, lower prices, etc.). Crawford County Community Schools has limited resources for purchase of supplies and seeks the most economical purchase by comparing IAESC Procurement Site prices to outside source prices prior to purchase. Often resources, particularly curriculum and assessment resources are only available through specific vendors. Professional development and curricular and assessment materials are selected by program qualities.



FINDING 2018-007

Fiscal year in which the finding initially occurred: 2014-2015
Contact Person Responsible for Corrective Action: Treasurer
Contact Phone Number: 812-365-2135

Status of Audit Finding: This was a previous finding. This finding was prior to the date that we started making this correction. Semi-Annual Certifications are completed for any employees who were paid solely from Special Education Funds. Non-certified employees complete bi-weekly timesheets (personal activity reports) which specify that the employee works on the Special Education program for each cost objective when paid from multiple cost objectives. Semi-annual certifications are completed on all employees (certified & non-certified) who are paid 100% from Special Education funds.

Non-certified employees who worked on multiple cost objectives have completed individual bi-weekly timesheets (personal activity reports) that specify each cost objective. Additionally, all non-certified bi-weekly timesheets indicate the specific program worked and are stamped as Special Education.

FINDING 2018-008

Fiscal year in which the finding initially occurred: 2014-2015
Contact Person Responsible for Corrective Action: Superintendent
Contact Phone Number: 812-365-2135

Status of Audit Finding: The Special Education Director ensures that all subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State Indiana. The Coop Board/Superintendent ensures that all documentation required for subcontractors is on file at the Special Education Cooperative office.



FINDING 2018-009

Fiscal year in which the finding initially occurred: 2016-2017

Contact Person Responsible for Corrective Action: Superintendent

Contact Phone Number: 812-365-2135

Status of Audit Finding: The Special Education Director ensures that all required federal grant reports are completed and submitted in a timely manner. The Coop Board/Superintendent ensures that all reports and documentation required are submitted and on file at the Special Education Cooperative office.



CORRECTIVE ACTION PLAN

FINDING 2020-001

Contact Person Responsible for Corrective Action: Superintendent

Contact Phone Number: 812-365-2135

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The Special Education Director now ensures that all subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State Indiana. The Coop Board/Superintendent ensure that all documentation required for subcontractors is on file at the Special Education Cooperative office. As a member of the Cooperative board, the Superintendent will have oversight on the procurement practices of the Cooperative.

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/>.