

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

SCOTT COUNTY SCHOOL DISTRICT 1

SCOTT COUNTY, INDIANA

July 1, 2018 to June 30, 2020



**FILED**  
06/14/2021



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jami R. Parks	07-01-18 to 06-30-21
Superintendent of Schools	(Vacant)	07-01-18 to 08-19-18
	Kenneth Kidd (acting)	08-20-18 to 01-31-19
	Trevor Jones	02-01-19 to 06-30-21
President of the School Board	Kathy Morris	07-01-18 to 12-31-18
	Joie Bukowski	01-01-19 to 12-31-20
	Ryan Payne	01-01-21 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 SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT 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 Scott County School District 1 (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 May 20, 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002, that we consider to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002.

***Scott County School District 1's Response to Findings***

The School Corporation's response to the 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 the financial statement, and, accordingly, we express no opinion on it.

***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

May 20, 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 SCOTT COUNTY SCHOOL DISTRICT 1, SCOTT COUNTY, INDIANA

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

We have audited the Scott County School District 1'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.

***Basis for Qualified Opinion on Child Nutrition Cluster***

As described in items 2020-004 and 2020-005 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Procurement and Suspension and Debarment that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

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)

**Qualified Opinion on Child Nutrition Cluster**

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, 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 Child Nutrition Cluster for the period of July 1, 2018 to June 30, 2020.

**Unmodified Opinion on Each of the Other Major Federal Programs**

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2018 to June 30, 2020.

**Other Matters**

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 items 2020-003, 2020-004, 2020-005, 2020-006, and 2020-007, that we consider to be material weaknesses.

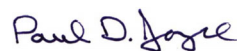
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

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 May 20, 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

May 20, 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.

SCOTT COUNTY SCHOOL DISTRICT 1  
 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	Total Federal Awards Expended 06-30-19	Total Federal Awards Expended 06-30-20
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553			
Child Nutrition Cluster			SY 18-19	\$ 105,330	\$ -
Child Nutrition Cluster			SY 19-20	-	91,049
				<u>105,330</u>	<u>91,049</u>
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553			
School Breakfast Program			SY 19-20	-	27,909
				<u>-</u>	<u>27,909</u>
Total - School Breakfast Program				<u>105,330</u>	<u>118,958</u>
National School Lunch Program					
National School Lunch Program	Indiana Department of Education	10.555			
National School Lunch Program			SY 18-19	343,787	-
National School Lunch Program			SY 19-20	-	294,993
National School Lunch Program - Commodities			SY 18-19	41,838	-
National School Lunch Program - Commodities			SY 19-20	-	36,307
				<u>385,625</u>	<u>331,300</u>
Sub-Total - National School Lunch Program					
				<u>385,625</u>	<u>331,300</u>
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555			
National School Lunch Program			SY 19-20	-	44,401
				<u>-</u>	<u>44,401</u>
Total - National School Lunch Program				<u>385,625</u>	<u>375,701</u>
Total - Child Nutrition Cluster				<u>490,955</u>	<u>494,659</u>
Total - Department of Agriculture				<u>490,955</u>	<u>494,659</u>
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education Grants to States					
Special Education Cluster (IDEA)	Indiana Department of Education	84.027			
Special Education Cluster (IDEA)			14217-140-PN01	45,077	-
Special Education Cluster (IDEA)			18611-036-PN-01	204,515	97,949
Special Education Cluster (IDEA)			19611-036-PN01	39,711	240,114
Special Education Cluster (IDEA)			20611-035-PN01	-	58,637
				<u>289,303</u>	<u>396,700</u>
Total - Special Education Grants to States					
				<u>289,303</u>	<u>396,700</u>
Special Education Preschool Grants					
Special Education Preschool Grants	Indiana Department of Education	84.173			
Special Education Preschool Grants			18619-036-PN01	9,929	3,302
Special Education Preschool Grants			19619-036-PN01	-	9,064
Special Education Preschool Grants			45717-140-PN01	462	-
				<u>10,391</u>	<u>12,366</u>
Total - Special Education Preschool Grants					
				<u>10,391</u>	<u>12,366</u>
Total - Special Education Cluster (IDEA)				<u>299,694</u>	<u>409,066</u>

SCOTT COUNTY SCHOOL DISTRICT 1  
 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	Total Federal Awards Expended 06-30-19	Total Federal Awards Expended 06-30-20
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
Title I Grants to Local Educational Agencies			17-7230	172,927	-
			18-7230	216,644	276,011
			19-7230	-	188,250
				<u>389,571</u>	<u>464,261</u>
Total - Title I Grant to Local Educational Agencies					
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287			
Twenty-First Century Community Learning Centers			7000S287C160014	69,756	-
Twenty-First Century Community Learning Centers			7000S287C170014	246,776	52,065
Twenty-First Century Community Learning Centers			7000S287C180014	-	237,984
				<u>316,532</u>	<u>290,049</u>
Total - Twenty-First Century Community Learning Centers					
Rural Education	Indiana Department of Education	84.358			
Title VI B			7000S358B170014	22,285	-
Title VI B			7000S358B190014	-	16,000
				<u>22,285</u>	<u>16,000</u>
Total - Rural Education					
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367			
Supporting Effective Instruction State Grants			7000S367A160013	27,923	-
Supporting Effective Instruction State Grants			7000S367A170013	35,658	8,262
Supporting Effective Instruction State Grants			7000S010A180014	-	7,956
Supporting Effective Instruction State Grants			7000S010A190014	-	38,983
				<u>63,581</u>	<u>55,201</u>
Total - Supporting Effective Instruction State Grants					
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424			
Title IV Part A			S424A180015	13,882	9,734
Title IV Part A			S424A190015	-	26,935
				<u>13,882</u>	<u>36,669</u>
Total - Student Support and Academic Enrichment Program					
Total - Department of Education				<u>1,105,545</u>	<u>1,271,246</u>
Total federal awards expended				<u>\$ 1,596,500</u>	<u>\$ 1,765,905</u>

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

SCOTT COUNTY SCHOOL DISTRICT 1  
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 Madison Area Educational Special Services Unit (MAESSU), a special education cooperative. The MAESSU serves as the fiscal agent for the operation of the special education federal grant programs of the School Corporation. As a result, some of the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented in the receipts and disbursements in the financial statement of the School Corporation.

SCOTT COUNTY SCHOOL DISTRICT 1  
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?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies	Qualified Unmodified

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2020-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-001.

*Condition and Context*

The School Corporation had not established internal controls over the federal award information entered in the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA). The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the SEFA.

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Due to the lack of internal controls, the SEFA presented for audit included the following errors:

1. The Child Nutrition Cluster expenditures were overstated by \$100,284.
2. Several additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$30,035, in total.
3. Other errors included incorrect CFDA numbers, incorrect program names, and incorrect identifying numbers.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA presented in this report.

*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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control . . ."

2 CFR 200.62 states in part:

*"Internal control over compliance requirements for Federal awards* means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- (a) Transactions are properly recorded and accounted for, in order to:
  - (1) Permit the preparation of reliable financial statements . . ."

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management had not established a system of internal controls that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal controls in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA included the errors identified in the *Condition and Context*.

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Condition and Context*

The School Corporation did not have a proper system of internal controls in place over financial close and reporting to prevent, or detect and correct, errors. Due to the lack of internal controls over the input of financial information submitted to the Indiana Department of Education financial reporting system, commonly referred to as Form 9, material errors remained undetected.

There were six funds which were omitted from the financial information reported within the Form 9 data, which was the source of the financial statement presented for audit. The net effect from the omission of these funds resulted in receipts being understated by \$322,492 and \$560,374 for the school years ending June 30, 2019 and 2020, respectively; disbursements being understated by \$353,729 and \$521,283 for the school years ending June 30, 2019 and 2020, respectively; and the ending cash and investment balance being overstated by \$30,787 and understated by \$8,304 for the school years ending June 30, 2019 and 2020, respectively.

Audit adjustments were proposed, accepted by the School Corporation, and made to the financial statement presented in the Financial Statement Audit Report of the School Corporation.

*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. . . ."

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

"The state examiner shall require from every audited entity 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](#)."

*Cause*

Management had not established a proper system of internal controls that would have ensured proper reporting of the financial statement.

*Effect*

Without a proper system of internal controls in place that operated effectively, material misstatement of the financial statement remained undetected. The financial statement included the errors identified in the *Condition and Context*.

*Views of Responsible Officials*

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

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

**FINDING 2020-003**

Subject: Child Nutrition Cluster - Internal Controls  
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  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years or (Other Identifying Numbers): SY 18-19, SY 19-20  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirements: Cash Management, Special Tests and Provisions - Paid Lunch Equity  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-004.

*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 Cash Management and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cash Management*

The School Corporation had not developed procedures whereby the net cash resources in its food service program (School Lunch fund) were monitored to ensure that the net cash resources in the fund did not exceed the three months average expenditures.

*Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)*

The School Corporation calculated the Paid Lunch Equity and submitted it to the Indiana Department of Education (IDOE); however, the School Corporation did not have internal controls in place whereby someone reviewed the calculation for accuracy prior to it being submitted to the IDOE.

The lack of internal controls was a systemic issue that occurred 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 included proper development of procedures, review, and approval of the Cash Management and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Effect*

The failure to establish an effective internal control system could have enabled noncompliance with the grant agreement and the Cash Management and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Views of Responsible Officials*

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

**FINDING 2020-004**

Subject: Child Nutrition Cluster - 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  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): SY 18-19, SY 19-20  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2018-005.

*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 Procurement and Suspension and Debarment compliance requirement.

The School Corporation purchased food and supply items from one vendor with total purchases that exceeded the simplified acquisition threshold of \$150,000 during fiscal years 2018-2019 and 2019-2020 without soliciting bids and awarding a contract.

The School Corporation did not verify that the vendor was not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to dealing business with them.

The lack of internal controls and noncompliance were systemic issues that occurred 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). . . ."

SCOTT COUNTY SCHOOL DISTRICT 1  
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. . . .

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply. . . ."

2 CFR 180.300 states:

"When you enter into a 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; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

Management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls to ensure compliance and comply with 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.

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2020-005***

Subject: Child Nutrition Cluster - 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  
CFDA Numbers: 10.553, 10.555  
Federal Award Numbers and Years (or Other Identifying Numbers): SY 18-19, SY 19-20  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Modified Opinion

*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 Procurement and Suspension and Debarment compliance requirement.

The School Corporation was a member of the Wilson Education Center (Service Center). During fiscal years 2018-2019 and 2019-2020, the Service Center solicited, evaluated, and awarded bids for bread, milk, and other products on behalf of its school members.

An effective internal control system was not in place at the School Corporation or the Service Center to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Procurement*

Bids for bread and milk were originally awarded for 2016-2017. Each contract included a clause stating that the contract could be extended for three additional 12-month periods by mutual written agreements. The Service Center could not provide written contracts of the mutually agreed-upon extensions of the bread and dairy bids for 2018-2019 and 2019-2020. For 2019-2020, the Service Center had emails with the contractor that noted the agreement to extend the contract.

The lack of internal controls and noncompliance were systemic issues throughout the audit period.

*Suspension and Debarment*

Bids for bread and milk were originally awarded for 2016-2017. Each contract included a clause stating that the contract could be extended for three additional 12-month periods by mutual written agreement, along with a clause noting that the vendor was not suspended or debarred. The Service Center could not provide documentation of the mutually agreed-upon contracts for the extensions of the bread and dairy bids for 2018-2019 and 2019-2020. The Service Center obtained certifications for 2019-2020 from the vendors for bread and milk that stated they were not suspended or debarred. The Service Center did not provide documentation that procedures were performed to verify the vendors were not suspended or debarred for 2018-2019.

The lack of internal controls and noncompliance were systemic issues throughout 2018-2019.

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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). . . ."

2 CFR 200.318(a) states: "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."

2 CFR 200.318(j) states: "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 200.320 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 you enter into a 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."

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls to ensure compliance and comply 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.

**FINDING 2020-006**

Subject: Title I Grants to Local Educational Agencies - Reporting  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): 17-7230, 18-7230, 19-7230  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
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 Reporting compliance requirement.

The State Pupil Expenditure Report was prepared by the Indiana Department of Education (IDOE) based on the Form 9 financial information submitted by the School Corporation. The School Corporation did not have internal controls in place over the Form 9 data to prevent, or detect and correct, errors in the information submitted to the IDOE.

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 included proper development of procedures, review, and approval of the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system could have enabled noncompliance with the grant agreement and the compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls to ensure compliance with the Reporting compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2020-007**

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 17-7230, 18-7230, 19-7230

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Audit Finding: Material Weakness

SCOTT COUNTY SCHOOL DISTRICT 1  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

The School Corporation had not established effective internal controls to ensure that a student withdrawn from the cohort was properly reviewed. The School Corporation retained proper supporting documentation for students who were removed from a given cohort, but the internal control to verify documentation had not been established.

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 grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*Effect*

The failure to establish an effective internal control system could have enabled noncompliance with the grant agreement and the compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish internal controls to ensure compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

*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.

# SCOTT COUNTY SCHOOL DISTRICT 1

255 Highway 31 S. P.O. Box 9

AUSTIN, IN 47102

812-794-8750 or FAX: 812-794-8765

## BOARD OF SCHOOL TRUSTEES

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*Darcie Goodin*  
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*Beverly Turner*  
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*Sherry Fugate*  
ASST. ELEMENTARY PRINCIPAL

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-001***

Fiscal year in which the finding initially occurred: 2017 and 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jami Parks

Contact Phone Number: 812-794-9630

Status of Audit Finding: Audit Adjustments were proposed, accepted by the School Corporation and made to the SEFA during the audit. The school corporation was unable to have a second employee verify the SEFA after it was prepared by the Treasurer because of staff turnover and no one else in the corporation has sufficient knowledge of how the SEFA was compiled. Segregation of duties and cross training continues to be a problem for the corporation, as more and more state reports/data collections are being given to the corporation.

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-002***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:

Contact Person Responsible for Corrective Action: Jami Parks

Contact Phone Number: 812-794-9630

### Status of Audit Finding:

The corporation has established a system of internal controls related to financial transactions and reporting. Collecting money, entering money into the financial systems (corporation books), depositing money, and printing receipts is now divided among employees in the corporation and verified by a second employee.

Bank reconciliements are performed by a deputy treasurer and signed off by the treasurer business manager.

The office continues ongoing improvements to the system as possible for segregation of duties and internal control.

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-003***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jami Parks

Contact Phone Number: 812-794-9630

#### Status of Audit Finding:

Time and effort sheets for the split funded employees are now completed. Most employees are now no longer split funded.

The Food Service Manager/Janitorial Supervisor's had been paid from Operations and School Lunch, during the audit that employee was moved to 100% Operations and has stayed there since.

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### **FINDING 2018-004**

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jami Parks

Contact Phone Number: 812-794-9630

Status of Audit Finding:

Cash Management-We continue to have a negative balance and do not exceed the three months average expenditures. Due to a negative balance of school lunch fund, no review of cash balance is conducted.

Program Income- Duties have been segregated or a second employee verifies the work of the completing employee.

Reporting- Monthly reports are now signed off by the treasurer.

Special Tests and Provisions- Paid lunch Equity- A second employee reviews the calculation before submitting to the IDOE. Corrective action not implemented.

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2018-005***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Jami Parks

Contact Phone Number: 812-794-9630

Status of Audit Finding:

We receive and review Procurement, as well as Suspension and Debarment documents from HPS to verify they are following appropriate procedures. Corrective action was not implemented during the audit period.

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

***FINDING 2018-006***

Fiscal year in which the finding initially occurred: 2018

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Chris Trader @ SSU/ Jami Parks @ SCSD1

Contact Phone Number: 812-794-9630

Status of Audit Finding:

The designated fiscal agent (MAESSU) now has an appropriate procurement policy that the board of trustees (which SCSD1 Superintendent serves on) approves.

SCOTT COUNTY SCHOOL DISTRICT 1

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CORRECTIVE ACTION PLAN

**FINDING 2020-001**

Contact Person Responsible for Corrective Action: Jami R. Parks, Corporation Treasurer  
Contact Phone Number: 812-794-9630

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Once a second member of the central office staff is trained on the contents of the SEFA, they will review and sign off on the SEFA before the Corporation Treasurer submits it with the Annual Financial Report.

Anticipated Completion Date: With Completion of the 2021 Annual Financial Report, October 1, 2021.

**FINDING 2020-002**

Contact Person Responsible for Corrective Action: Jami R. Parks, Corporation Treasurer  
Contact Phone Number: 812-794-9630

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: With addition of new staff, training on the completion of Form 9 will take place. Once the employee is trained on Form 9, there will be a reviewer and approver for the Form 9. Both parties will sign off Form 9.

Anticipated Completion Date: August 1, 2021

**FINDING 2020-003**

Contact Person Responsible for Corrective Action: Jami R. Parks, Corporation Treasurer  
Contact Phone Number: 812-794-9630

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Cash Management: An internal control will be implemented to compare a monthly School Fund cash balance to a 3-month average of disbursements. This report will be prepared and reviewed by 2 central office employees.

Special Tests and Provisions - Paid Lunch Equity: Two central office employees will calculate and review the Paid Lunch Equity prior to submission to IDOE.

Anticipated Completion Date: Oct 1, 2021

**FINDING 2020-004**

Contact Person Responsible for Corrective Action: Jami R. Parks, Corporation Treasurer  
Contact Phone Number: 812-794-9630

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The corporation did have suspension and disbarment documentation from HPS (third party quoter) but it was not completed in a timely manner before the start of the school year (when purchasing occurred). The school corporation is going to join the Food 2 Schools purchasing and will obtain this documentation before the school year begins.

The school corporation will procure bids through the Food 2 Schools to meet the bidding requirements.

Anticipated Completion Date: July 31, 2021

**FINDING 2020-005**

Contact Person Responsible for Corrective Action: Jami R. Parks, Corporation Treasurer  
Contact Phone Number: 812-794-9630

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The school will obtain procurement documents through Wilson Education Center before purchasing.

The school will obtain suspension and disbarment documents from Wilson Education Center.

Anticipated Completion Date: July 31, 2021

**FINDING 2020-006**

Contact Person Responsible for Corrective Action: Jami R. Parks, Corporation Treasurer  
Contact Phone Number: 812-794-9630

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: With addition of new staff, training on the completion of Form 9 will take place. Once the employee is trained on Form 9, there will be a reviewer and approver for the Form 9. Both parties will sign off Form 9.

Anticipated Completion Date: August 1, 2021.

***FINDING 2020-007***

Contact Person Responsible for Corrective Action: Jami R. Parks, Corporation Treasurer

Contact Phone Number: 812-794-9630

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: When evidence obtained to support withdrawal of a student, a second employee will sign the supporting documentation verifying the removal is warranted.

Anticipated Completion Date: As students withdraw, will begin with the start of the 2021-2022 school year, August 1, 2021.

## 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/>.