

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF

RISING SUN-OHIO COUNTY COMMUNITY  
SCHOOL CORPORATION  
OHIO COUNTY, INDIANA

July 1, 2018 to June 30, 2020



**FILED**  
06/23/2021



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Audit Result and Comment: Internal Controls .....	4
Exit Conference.....	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kelli Keith	07-01-18 to 06-30-21
Superintendent of Schools	Branden Roeder	07-01-18 to 06-30-21
President of the School Board	Corey Potts	07-01-18 to 06-30-21



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE RISING SUN-OHIO COUNTY COMMUNITY  
SCHOOL CORPORATION, OHIO COUNTY, INDIANA

This report is supplemental to our audit report of the Rising Sun-Ohio County Community School Corporation (School Corporation), for the period from July 1, 2018 to June 30, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

June 14, 2021

RISING SUN-OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**INTERNAL CONTROLS**

*Condition and Context*

There were several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. The School Corporation had not separated incompatible activities related to payroll disbursements and other financing sources and uses.

*Payroll Disbursements*

The School Corporation had not separated incompatible activities related to payroll disbursements. Payroll was processed by one employee at the School Corporation without a documented review or approval process in place.

*Other Financing Sources and Uses*

The School Corporation did not have an effective internal control system in place to ensure that transfers were properly recorded and reported in the financial statement. Transfers were processed by one employee without a documented review or approval process in place.

*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. . . ."

RISING SUN-OHIO COUNTY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2021, with Kelli Keith, Treasurer, and Connie Smith, School Board member.