

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

ANDERSON COMMUNITY SCHOOL CORPORATION

MADISON COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED
07/21/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Kevin Brown	07-01-18 to 06-30-21
Superintendent of Schools	Dr. Timothy Smith Dr. Joe Cronk (interim)	06-30-17 to 03-10-20 03-11-20 to 06-30-21
President of the School Board	Patrick Hill	01-01-18 to 12-31-21



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 ANDERSON COMMUNITY SCHOOL
CORPORATION, MADISON 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 Anderson 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 March 11, 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 a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 Questions 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.

Anderson Community School Corporation'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

March 11, 2021, except for the Schedule of Expenditures
of Federal Awards, for which the date is June 14, 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 ANDERSON COMMUNITY SCHOOL CORPORATION, MADISON COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the Anderson 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.

Basis for Qualified Opinion on the Child Nutrition Cluster

As described in item 2020-004 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Activities Allowed or Unallowed and Allowable Costs/Cost Principles 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 possible effects of the matter 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 the Child Nutrition Cluster for the period 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 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 2020-003. Our opinion on each major federal program is not modified with respect to these 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.

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)


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 and 2020-004, that we consider to be material weaknesses.

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

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

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 March 11, 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

June 14, 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.

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ANDERSON 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			FY2018/2019	\$ -	\$ 924,541	\$ -	\$ -
SCHOOL BREAKFAST PROGRAM			FY2019/2020	-	-	-	795,018
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553					
SCHOOL BREAKFAST PROGRAM			FY2019/2020	-	-	-	418,419
Total - School Breakfast Program				-	924,541	-	1,213,437
National School Lunch Program							
SCHOOL LUNCH PROGRAM	Indiana Department of Education	10.555					
SCHOOL LUNCH PROGRAM			FY2018/2019	-	3,330,167	-	-
SCHOOL LUNCH PROGRAM			FY2019/2020	-	-	-	2,831,664
SCHOOL LUNCH PROGRAM - COMMODITIES			FY2018/2020	-	329,532	-	340,423
SCHOOL SNACK PROGRAM			FY2018/2019	-	45,947	-	-
SCHOOL SNACK PROGRAM			FY2019/2020	-	-	-	43,985
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555					
COVID 19 - SCHOOL LUNCH PROGRAM			FY2019/2020	-	-	-	783,098
COVID 19 - SNACK PROGRAM			FY2019/2020	-	-	-	2,687
Total - National School Lunch Program				-	3,705,646	-	4,001,857
Summer Food Service Program for Children							
SCHOOL SUMMER FEED PROGRAM	Indiana Department of Education	10.559					
SCHOOL SUMMER FEED PROGRAM			FY2018/2019	-	74,856	-	-
			FY2019/2020	-	-	-	61,326
COVID-19 - Summer Food Service Program For Children	Indiana Department of Education	10.559					
COVID 19 - SUMMER FOOD SERVICE PROGRAM			FY2019/2020	-	-	-	106
Total - Summer Food Service Program for Children				-	74,856	-	61,432
Total - Child Nutrition Cluster				-	4,705,043	-	5,276,726
Child and Adult Care Food Program							
SCHOOL EVENING FEED PROGRAM	Indiana Department of Education	10.558					
SCHOOL EVENING FEED PROGRAM			FY2018/2019	-	37,212	-	-
			FY2019/2020	-	-	-	27,275
Total - Child and Adult Care Food Program				-	37,212	-	27,275
Total - Department of Agriculture				-	4,742,255	-	5,304,001
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States	Indiana Department of Education	84.027					
SPECIAL EDUCATION PART B			18611-002-PN01	-	271,273	-	-
SPECIAL EDUCATION PART B			19611-002-PN01	-	1,567,347	-	713,658
SPECIAL EDUCATION PART B			20611-002-PN01	-	-	-	1,271,802
Total - Special Education Grants to States				-	1,838,620	-	1,985,460

ANDERSON 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					
SPECIAL ED PRE-SCHOOL			18619-002-PN01	-	18,785	-	-
SPECIAL EDUCATION PRE-SCHOOL			19619-002-PN01	-	40,652	-	46,021
Total - Special Education Preschool Grants				-	59,437	-	46,021
Total - Special Education Cluster (IDEA)				-	1,898,057	-	2,031,481
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
TITLE I BASIC GRANT			S010A170014	-	394,702	-	-
TITLE I BASIC GRANT			S010A180014	-	3,166,320	-	239,799
TITLE I BASIC GRANT			S010A190014	-	-	-	2,956,825
TITLE I PART D			S010A170014	-	13,516	-	-
TITLE I PART D			S010A180014	-	18,060	-	14,919
TITLE I PART D			S010A190014	-	-	-	15,896
TITLE I SCHOOL IMPROVEMENT GRANT			S010A170014	-	72,756	-	-
TITLE I SCHOOL IMPROVEMENT			S010A180014	-	-	-	25,741
TITLE I SCHOOL IMPROVEMENT GRANT			S010A190014	-	-	-	13,956
Total - Title I Grants to Local Educational Agencies				-	3,665,354	-	3,267,136
Career and Technical Education - Basic Grants to States	Indiana Department of Education	84.048					
CARL PERKINS			18-4700-5275	-	68,475	-	-
CARL PERKINS			19-4700-5275	-	103,763	-	196,548
CARL PERKINS			20-0512-5275	-	-	-	117,487
CTE SUMMER EXPANSION GRANT			18A-4700-5275	-	2,696	-	-
Total - Career and Technical Education - Basic Grants to States				-	174,934	-	314,035
Education for Homeless Children and Youth	Indiana Department of Education	84.196					
MCKINNEY VENTO HOMELESS			S196A170015	-	15,201	-	-
MCKINNEY VENTO HOMELESS			S196A180015	-	16,899	-	28,101
MCKINNEY VENTO HOMELESS			S196A190015	-	-	-	16,738
Total - Education for Homeless Children and Youth				-	32,100	-	44,839
Twenty-First Century Community Learning Centers	Indiana Department of Education	84.287					
21ST CENTURY			S287C160014	-	43,608	-	-
21ST CENTURY COMMUNITY LEARNING CENTERS			S287C170014	-	516,810	-	72,224
21ST CENTURY COMMUNITY LEARNING CENTERS 2019/2020			S287C180014	-	-	-	477,290
Total - Twenty-First Century Community Learning Centers				-	560,418	-	549,514

ANDERSON 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
English Language Acquisition State Grants	Indiana Department of Education	84.365					
TITLE III 2016-2018			01117-060-PN01	-	16,893	-	-
TITLE III			01118-058-PN01	-	41,823	-	17,064
TITLE III			01119-016-PN01	-	-	-	22,825
TITLE III			01120-016-PN01	-	-	-	6,138
Total - English Language Acquisition State Grants				-	58,716	-	46,027
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
TITLE II PART A			S367A170013	-	80,882	-	-
TITLE II PART A			S367A180013	-	456,901	-	19,616
TITLE II PART A			S367A190013	-	-	-	343,955
Total - Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)				-	537,783	-	363,571
School Improvement Grants	Indiana Department of Education	84.377					
TITLE I SCHOOL IMPROVEMENT			S377A00120015A	-	61,206	-	288,717
TITLE I SCHOOL IMPROVEMENT			S377A140015	-	293,114	-	27,676
Total - School Improvement Grants				-	354,320	-	316,393
Student Support and Academic Enrichment Program TITLE IV	Indiana Department of Education	84.424					
			2018-424-162	-	26,762	-	42,361
Total - Department of Education				-	7,308,444	-	6,975,357
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program		93.778					
Medicaid - IEP Services	Family and Social Services Administration		FY 2018-2020	-	19,031	-	211,864
Medicaid - MAC	Indiana Department of Education		FY 2018-2020	-	192,237	-	184,258
Total - Medical Assistance Program				-	211,268	-	396,122
Total - Medicaid Cluster				-	211,268	-	396,122
Opioid STR 21ST CENTURY CURES SUBSTANCE ABUSE GRANT	Indiana Department of Education	93.788					
			A58-9-19OT-5771	-	208,495	-	-
Total - Department of Health and Human Services				-	419,763	-	396,122
Total federal awards expended				\$ -	\$ 12,470,462	\$ -	\$ 12,675,480

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

ANDERSON 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.

ANDERSON 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?	yes
Significant deficiencies identified?	no
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:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Child Nutrition Cluster Title I Grants to Local Educational Agencies Special Education Cluster (IDEA)	Qualified Unmodified Unmodified
84.287	Twenty-First Century Community Learning Centers	Unmodified
84.367	Supporting Effective Instruction State Grants	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$754,378

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

FINDING 2020-001

Subject: Financial Transactions - School Lunch Disbursements
Audit Findings: Material Weakness, Noncompliance

Condition and Context

There was a deficiency in the internal control system of the School Corporation related to financial transactions.

As documented in Finding 2020-004, there was a material weakness in the internal control system of the School Corporation related to School Lunch fund disbursements resulting in unauthorized payments totaling \$176,207, as determined by the School Corporation.

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

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. . . ."

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Cause

Management of the School Corporation had not established a proper system of internal controls.

Effect

The failure to establish a system of internal controls enabled misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the School Corporation at risk that internal controls were not designed properly or operating effectively to provide reasonable assurance that internal controls would prevent, or detect and correct, misstatements in a timely manner.

ANDERSON COMMUNITY SCHOOL CORPORATION
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: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness, Noncompliance

Condition and Context

The School Corporation had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although the Deputy Treasurer prepared the federal grant information and the CFO/Treasurer reviewed the information, the internal controls were not effective and did not detect and allow correction of errors prior to submission.

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

1. The School Breakfast Program expenditures were understated by \$111,055.
2. The National School Lunch Program expenditures were understated by \$359,897.
3. The 21st Century Community Learning Center Program expenditures were overstated by \$81,071.
4. The Medical Assistance Program was omitted which understated expenditures by \$396,122.

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.

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

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 . . ."

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.

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

- (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 could remain undetected. The SEFA contained 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 - Program Income

Federal Agency: Department of Agriculture

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

CFDA Number: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY2018/2019, FY2019/2020

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

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 2018-005.

Condition and Context

An effective internal control system was not in place at the School Corporation to ensure compliance with the grant agreement and the Program Income compliance requirement.

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

The School Corporation did not comply with requirements for recording program income generated from the operation of the school food service program. A separate fund was required for collections of prepaid meals. Collections for both prepaid meals and meals served were commingled within the School Lunch fund. Additionally, the School Corporation Extracurricular (ECA) account balance did not agree to the reported School Lunch fund on the School Corporation's records.

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

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall enter into a written agreement with the State agency or the Department through the FNSRO, as applicable, that may be amended as necessary. . . . Such agreements shall provide that the School Food Authority shall, with respect to participating schools under its jurisdiction: . . ."

(12) Maintain a financial management system as prescribed by the State agency . . ."

Our opinion is that money a student puts into their individual meal account should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while it is in the student's individual account the balance should not be included in Fund 800 School Lunch. Our recommendation is that you set up a clearing account with the fund number of 8400. Our suggestion is when a student brings in a deposit the receipt would be recorded to fund 8400 using receipt account number 1630. Periodically, after the student has charged meals, you should disburse the amount charged from 8400 using expenditure account 31900 and receipt it into fund 800 using receipt accounts 1611-1623. At his point it is considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis the balance of the 8400 fund should be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system enabled 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 a system of internal controls, including segregation of duties, to ensure compliance and comply with the grant agreement and the Program Income 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 2020-004

Subject: Child Nutrition Cluster - Activities Allowed and Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

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

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY2018/2019

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Modified Opinion

Condition and Context

An effective internal control system, which would include segregation of duties, was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

As a result, the School Corporation determined this program paid unauthorized and unallowable expenditures totaling \$176,207 during fiscal year 2018-2019. An investigation is pending.

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

ANDERSON COMMUNITY SCHOOL CORPORATION
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 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

7 CFR 210.2 states in part: ". . . *Nonprofit school food service* means all food service operations conducted by the school food authority principally for the benefit of schoolchildren, all of the revenue from which is used solely for the operation or improvement of such food services. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions to ensure compliance with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Effect

The failure to establish an effective internal control system, including segregation of duties, allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs

Questioned costs of \$176,207 were identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls, including segregation of duties, to ensure compliance and to comply with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

ANDERSON COMMUNITY SCHOOL CORPORATION
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.

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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.



1600 Hillcrest Avenue • Anderson, IN 46011 • Phone (765)641-2094 • FAX (765)683-4458

December 11, 2020

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding: In Progress

The school corporation has established internal controls over the federal award information known as SEFA. Prior to the SEFA information being entered into Gateway by the Deputy Treasurer, the report is given to the Treasurer for approval. This procedure addresses our internal control standards and helps with our segregation of duties as outlined in the prior audit. Special attention has been made with the Federal programs and the school nutrition program.

FINDING 2018-002

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding: Corrected

After reviewing the adjustments in the bank reconciliation for the June 30, 2017 and June 30, 2018 we proceeded to look at prior years and found a double post of \$109,239.94 in February 2014. This error was corrected September 26, 2019. As part of the internal controls standards the bank reconciliation is done by the accounts payable clerk and then reviewed by the Deputy Treasurer.



Food Service Department

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February 3, 2021

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-003

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding:

A Time/Effort (OMB-87) is maintained by the Food Service Department on a semi-annual basis. The Food Service Director prepares the form for each school, which lists the name of each employee, including their manager/supervisor. The cafeteria manager at each school signs the certification stating they have firsthand knowledge of the work performed by the employee who is working solely for the child nutrition program. The Food Service Director also signs each form. These certifications are completed twice a year (July/August and January) and are kept on file at Central Office.

The claim for reimbursement is prepared by the Bookkeeper from the reports generated in the POS and reviewed and submitted by the Director. Both the director and bookkeeper sign off on the claim.

Cash Management: A financial report is submitted to the Accounting Supervisor on a monthly basis. The Chief Financial Officer is given a copy of the report and also any requirements mandated by the State, such as the PLE and the Annual Financial Report (AFR) for his review.

Bill Pay: Managers check in all deliveries at their location, initial as correct, or notate errors and report to the Central Office.

- The purchasing agent matches all invoices against statements. The director verifies commodity invoices in Processor Link/K-12. Invoices are broken down by category, food, supplies, equipment, and repairs, and entered on a spreadsheet by location by the purchasing agent.
- After reconciling, the purchasing agent signs, attaches to the invoices, then gives to the director to review and sign prior to giving to the bookkeeper for processing.
- The school board approves all food service purchases at the monthly board meeting prior to the food service department issuing payment.
- The bookkeeper brings the payment vouchers to the director for approval, once signed checks are generated and mailed to our vendors. Prior to signing the payment vouchers, the director compares the printed voucher register report and matches to the printed checks and signs the checks, as well as signs and dates the report as being accurate.
- The bookkeeper enters all checks and payment vouchers into the purchasing program. Once the bank statement is received, all checks are reconciled against the statement for accuracy.

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FINDING 2018-004

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding:

School nutrition funds are only used for allowable expenditures.

FINDING 2018-005

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding:

Revenues (Prepayments)

- All prepayments are tracked through an 8400 account and a system is in place to “sweep” the money from 8400 to the proper accounts.
- Each day the bookkeeper enters all deposits (online payments, pre-payments at the school, and cash collected at the register) directly into the 8400 account.
- At the end of the month, the Food Service Director runs a report from the Point of Sale program (Nutrikids) showing the amount of sales for student a la carte, adult sales, etc. and creates a transfer form moving the money from 8400 to the appropriate revenue accounts in FMS (our financial management system). The Food Service Director signs off on the report, then gives it to the bookkeeper to review and perform the “sweep” of money, entering the data into FMS.
- The transfer form is also sent to the business office with a copy of the revenue report from the Point of Sale system for the deputy treasurer/accounting supervisor to review and sign off.
- This process creates a clear separation of duty and good internal controls.

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December 11, 2020

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-006

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding: Corrected.

Allowable Costs/Cost Principles and Period of Performance

Title I final report is submitted to the Deputy Treasurer who reviews/signs as well as Federal Grants Coordinator to verify indirect cost is accurate and charge is within the legal amount. The Deputy Treasurer then submits the Title I final report to the Chief Financial Officer/Treasurer who signs-off on the report.

Period of Performance

When an adjustment is made the Deputy Treasurer reviews/signs documentation as well as Federal Grants Coordinator. The Deputy Treasurer will keep documentation on file for 5 years.

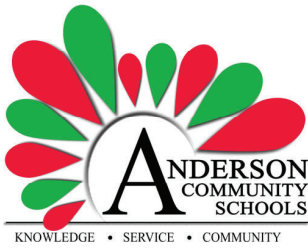
FINDING 2018-007

Fiscal year in which the finding initially occurred: 2016

Status of Audit Finding: Corrected.

When an adjustment is made the Deputy Treasurer reviews/signs documentation as well as Federal Grants Coordinator. Both parties then check and verify that all expenditures are within the grant period. The Deputy Treasurer will keep documentation on file for 5 years.

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June 9, 2021

FINDING 2020 – 001

Contact Person Responsible for Corrective Action: Amber Swinehart, Director of Nutrition & Food Services
Contact Phone Number: (765) 641-2094

Views of Responsible Official: Concur with Finding.

CORRECTION ACTION PLAN

Description of Corrective Action Plan:

In previous years, there was a significant lack of internal controls being implemented within the food service department, which was further exacerbated by the use of an outdated financial system that allowed vendors to be changed immediately before checks were printed. Furthermore, checks were printed with the bookkeeper and food service director's names pre-printed on them with no oversight or manual signing taking place prior to issuing the checks.

The current food service director, Amber Swinehart, started on July 1, 2019 at the same time in which a new accounting system, prescribed by the corporation, was adopted by the food service department. This new accounting system (SSI/FMS) is the same system used by the corporation. Furthermore, it does not contain the same flaws, including not allowing vendors to be changed before printing checks.

The food service department's bill pay process is as follows: Managers check in deliveries at their location, sign and/or initial as correct, or notate errors and report to the Central Office. All paperwork is sent to the central office for compilation. The purchasing clerk matches all invoices against delivery receipts. Invoices are broken down by category, food, supplies, equipment, and repairs, and entered on a spreadsheet according to location by the purchasing clerk. After reconciling, the purchasing clerk signs, attaches to the invoices, then gives to the director to review and sign prior to giving to the bookkeeper for processing. The school board approves all food service purchases, via a monthly claims listing, at the monthly board meeting prior to the food service department issuing payment. The bookkeeper brings the claim vouchers and checks to the director for approval. Prior to signing the claim vouchers, the director compares the printed voucher register report and matches to the printed checks, then signs the checks, as well as signs and dates the report as being accurate. Since the current director started in July 2019, every check has been reviewed and manually signed by the director allowing for any variances in appropriate disbursements to be caught in the oversight process.

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The food service department now also requests that the bank provide copies of cancelled checks, so that these can be reviewed on a monthly basis. This provides a further checkpoint at which discrepancies could be identified. The bookkeeper enters all checks and payment vouchers into the purchasing program. Once the bank statement is received, all checks are reconciled against the statement for accuracy. The food service director reviews and signs the bank reconciliation each month.

Anticipated Completion Date:

The action plan described has been in place since the start of the current food service director's employment, which was July 1, 2019. In addition, these revised processes described herein have been in full force and effect since July 1, 2019, including a full year of this audit period. No unauthorized payments have been made in that time frame.

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June 9, 2021

FINDING 2020 – 002

Contact Person Responsible for Corrective Action: Kevin Brown/Janet Windlan
Contact Phone Number: (765) 641-2006

Views of Responsible Official: Concur with Finding.

CORRECTION ACTION PLAN

The Schedule of Expenditures of Federal Awards (SEFA) report is a work in progress. This is a report that was previously done by the State Board of Account auditors for each audit. It has since become the responsibility of the corporations or organizations. We have tried to improve on this report for each audit period and I believe we have improved a great deal on reporting our financials correctly. The problem was inaccurate information that was submitted to us from the food service department, because of the new staff still learning the programs and how to access the data correctly. The 21st Century reporting error was an error of posting on the Deputy Treasurer's part and was human error. The Medicaid was omitted for the 2019/2020, because of a new requirement of reporting by the State, which we didn't realize needed to be done. Medicaid will be listed on the SEFA report from now on. After completing the report, it is given to the Treasurer and CFO, Kevin Brown to verify and sign the report. The overstatements are actually the incorrect information that was reported on the SEFA from the food service department and the school corporation, human error if you will and are not actually shortages or understatements.

Anticipated Completion Date: School Year 2020-2021

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June 9, 2021

FINDING 2020 – 003

Contact Person Responsible for Corrective Action: Amber Swinehart, Director of Nutrition & Food Services
Beth Daulton, Food Service Bookkeeper
Contact Phone Number: (765) 641-2094

Views of Responsible Official: Concur with Finding.

CORRECTION ACTION PLAN

The separation of the prepaid meals from the receipts of the School Food Service Program is currently being implemented by the Treasurer of the Food Service Department for the school year 2020/2021. This is a program that we struggled to understand what needed to be done in order to comply. The Treasurer of the Food Service Department separates the prepaid amounts at the end of each month and when the Form 9 is created the prepaid meals will be separated into Fund 8400. The prepaid meal reporting has been corrected.

Anticipated Completion Date: School Year 2020-2021



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June 9, 2021

FINDING 2020 – 004

Contact Person Responsible for Corrective Action: Amber Swinehart, Director of Nutrition & Food Services
Contact Phone Number: (765) 641-2094

Views of Responsible Official: Concur with Finding.

CORRECTION ACTION PLAN

Description of Corrective Action Plan:

In previous years, there was a significant lack of internal controls being implemented within the food service department, which was further exacerbated by the use of an outdated financial system that allowed vendors to be changed immediately before checks were printed. Furthermore, checks were printed with the bookkeeper and food service director's names pre-printed on them with no oversight or manual signing taking place prior to issuing the checks.

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Anticipated Completion Date:

The action plan described has been in place since the start of the current food service director's employment, which was July 1, 2019. In addition, these revised processes described herein have been in full force and effect since July 1, 2019, including a full year of this audit period. No unauthorized payments have been made in that time frame.

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/>.