



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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October 15, 2021

TO: THE OFFICIALS OF THE HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION -  
ANDREWS ELEMENTARY SCHOOL EXTRACURRICULAR ACCOUNT, HUNTINGTON  
COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Huntington County Community School Corporation - Andrews Elementary School Extracurricular Account (School ECA) for the period of July 1, 2018 to June 30, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The School ECA Annual Financial Reports filed by management, can be found on the Gateway Website: [www.gateway.iffonline.org](http://www.gateway.iffonline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

**Comments**

**PRESCRIBED FORMS**

*Condition and Context*

The following prescribed or approved forms were not always in use: Form SA-4.

*Criteria*

IC 20-41-1-4 provides that forms and records used shall be prescribed or approved by the State Board of Accounts and that the State Board of Accounts may examine the records and affairs of the extra-curricular activities when in the judgment of the State Examiner such examination is necessary.

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold, and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (ECA Manual Chapter 2)

## **INTERNAL CONTROLS OVER ATHLETIC TICKET SALES**

### *Condition and Context*

There were deficiencies in the internal control system of the School Corporation's Extracurricular Account (ECA) related to the financial transactions and reporting. The School Corporation had not separated incompatible activities related to the Athletic Ticket Sales. The failure to establish these internal controls could enable material misstatements to occur and remain undetected.

Ticket money collections were performed by the School ECA Treasurer for athletic events. No evidence of review, oversight, or an approval process was presented to ensure the accuracy of the athletic event collections.

### *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. . . ."

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Any Official Response to the Comments, incorporated within this report, was not verified for accuracy.

The contents of this report were communicated to Katie Davidson, School ECA Treasurer; Amy Rudolf, School Principal; Edette Eckert, School Corporation Treasurer; and Matt Roth, President of the School Board, on June 23, 2021.

Respectfully,

  
Paul D. Joyce, CPA  
State Examiner