

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

SPECIAL INVESTIGATION REPORT
OF

BEN DAVIS HIGH SCHOOL
METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
MARION COUNTY, INDIANA

June 1, 2018 to August 13, 2020



FILED
02/14/2022

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STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE METROPOLITAN SCHOOL DISTRICT
OF WAYNE TOWNSHIP, MARION COUNTY, INDIANA

This is a special investigation report for Ben Davis High School, an extracurricular account of the Metropolitan School District of Wayne Township (School Corporation), for the period June 1, 2018 to August 13, 2020, and is in addition to any other report for the School Corporation as required under Indiana Code 5-11-1. All reports pertaining to the School Corporation may be found at www.in.gov/sboa/.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with Ben Davis High School (High School). The Results and Comments contained herein describe the identified reportable instances 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

November 30, 2021

BEN DAVIS HIGH SCHOOL
METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
RESULTS AND COMMENTS

BACKGROUND

Belinda Rivers (Rivers) was hired as the Assistant Extracurricular Accounts (ECA) Treasurer at the High School on May 7, 2012. Rivers was named the interim ECA Treasurer on September 22, 2018, and became the official ECA Treasurer in October 2018. Rivers was responsible for accounting for, recording, and reporting on all financial activities of the High School ECA. Rivers was responsible for collecting, counting, and receipting all collections, including preparing the deposit ticket and depositing the money into the bank account. Rivers was also responsible for overseeing disbursements, including preparing and maintaining all supporting documents for disbursements, preparing and issuing checks, signing the checks along with a second signatory, and reconciling the bank account. Rivers was terminated on August 13, 2020.

School officials found payments made to Rivers that were undocumented and for which Rivers could not provide an explanation. The School Corporation notified the Indiana State Board of Accounts in accordance with Indiana Code 5-11-1-27. The Indiana State Board of Accounts performed an investigation of the High School's records for the period of June 1, 2018 to August 13, 2020. The results of our investigation are described in the following comments.

The Indiana State Board of Accounts was notified by School Officials that Rivers passed away on July 7, 2021.

COLLECTIONS NOT DEPOSITED

A review of the ECA collections based upon source documents including Deposit Distribution Reports for ECA Funds (Deposit Distributions), Cash Box Verification Forms (ticket sale reports and event cash box count and reconciliation reports), receipts issued by teachers or support staff, cash register tapes, etc., indicated collections were not receipted or deposited as follows:

Athletics - 2018-2019 School Year

Cash collections not deposited for ticket sales and concessions were as follows:

Sport	Ticket Sales	Concessions	Totals
Volleyball	\$ -	\$ 5.00	\$ 5.00
Boys Soccer	30.00	-	30.00
Boys Basketball	10,979.10	2,004.35	12,983.45
Girls Basketball	1,598.00	725.00	2,323.00
Track	7,787.50	1,561.00	9,348.50
Baseball	2,285.00	220.50	2,505.50
Softball	556.00	84.80	640.80
Totals	<u>\$ 23,235.60</u>	<u>\$ 4,600.65</u>	<u>\$ 27,836.25</u>

BEN DAVIS HIGH SCHOOL
 METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
 RESULTS AND COMMENTS
 (Continued)

Athletics - 2019-2020 School Year

Cash collections not deposited for ticket sales and concessions were as follows:

Sport	Ticket Sales	Concessions	Totals
Football	\$ 22,635.70	\$ -	\$ 22,635.70
Boys Soccer	50.25	-	50.25
Boys Basketball	9,786.00	4,681.61	14,467.61
Girls Basketball	1,412.00	-	1,412.00
Indy Hoops Basketball	1,000.00	-	1,000.00
Swimming	542.00	200.75	742.75
Totals	<u>\$ 35,425.95</u>	<u>\$ 4,882.36</u>	<u>\$ 40,308.31</u>

Other ECA Funds - 2018-2019 School Year

Cash collections not deposited for transportation fees, sale of merchandise, sales tax, donations, etc., were as follows:

Fund	Total
Payne Field Trip	\$ 20.00
Swimming and Diving	50.00
Choir	210.00
National Honor Society	60.00
Boys Basketball	407.10
Spirit Shop	8,308.12
Sales Tax	592.38
Total	<u>\$ 9,647.60</u>

Other ECA Funds - 2019-2020 School Year

Cash collections not deposited for fundraisers, transportation fees, and sale of merchandise were as follows:

Fund	Total
Football	\$ 4,295
Student Council	55
Total	<u>\$ 4,350</u>

BEN DAVIS HIGH SCHOOL
METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
RESULTS AND COMMENTS
(Continued)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Tickets, goods for sale, billings, and other collections, are considered accountable items for which a corresponding deposit must be made in the bank accounts of the unit. The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payers. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

We seek reimbursement of \$82,142.16 to the High School for collections not deposited by Rivers (deceased). (See Summary of Charges, page 15)

UNAUTHORIZED TRANSACTIONS

Checks Paid to Petty Cash/Belinda Rivers

Checks were written from the Bookstore Fund to Petty Cash/Belinda Rivers. All of the checks were endorsed by Rivers. Documentation for the checks issued and cashed during fiscal year 2019-2020 indicated the proceeds were to provide additional cash boxes for large events, which at the conclusion of the event required funds to be returned intact to the Bookstore Fund.

There were three checks made payable from the Bookstore Fund to Petty Cash/Belinda Rivers totaling \$25,700 for 2019-2020, and one check totaling \$5,000 for 2020-2021. None of the cash was returned to any of the ECA funds or redeposited into the ECA bank account.

Special Event Cash Funds Not Returned

During the school year, there are instances where a special event needs more cash change than the High School can provide. The School Corporation will loan the High School the money, and then after the event, the original cash change is receipted and deposited into the Bookstore Fund. The High School then issues a check back to School Corporation for the loan.

There was an event held on March 30, 2019, which required a loan from the School Corporation. Records from the School Corporation indicated that a loan of \$15,600 was made to the High School for the event. There were cash box request forms indicating \$15,600 was provided to the sponsor for the event and that \$15,600 was returned to Rivers after completion of the event. However, only \$5,350 of cash was receipted and deposited to the Bookstore Fund. The remaining \$10,250 was transferred to the Bookstore Fund from the Junior Class Fund to repay the \$15,600 loan. We did not find \$10,250 receipted to the Junior Class Fund after this event. The description per the ledger for the transfer from the Junior Class Fund to the Bookstore Fund was that the transfer was requested via email to the School Principal. The School Principal was asked about this transfer and stated every transfer is approved through email, and no emails were found requesting or approving the \$10,250. There was no documentation to support that the \$10,250 of cash returned to Rivers after completion of the event was receipted to either the Bookstore or Junior Class funds for repayment of the loan to the School Corporation.

BEN DAVIS HIGH SCHOOL
METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
RESULTS AND COMMENTS
(Continued)

Automated Clearing House (ACH) for Field Trip Refunds

On June 18, 2020, there were four ACH payments made from the School Corporation's business office to Rivers personal bank account totaling \$3,362. The description provided for these transactions were "BDHS Student Refunds" and were paid out of the Junior Class Fund and Interest Fund.

On July 29, 2020, there was one ACH payment made from the School Corporation's business office to Rivers personal bank account totaling \$4,000. The description provided for this transaction was "BDHS Student Refunds" and was paid out of the Bookstore Fund.

We could not find any audit evidence to support any payments by Rivers for student field trips or any other activity. We received and reviewed Rivers personal bank account. All five ACH payments were traced to River's personal bank account.

Check Paid for Field Trip Refund

On June 9, 2020, a check was made payable to "Imani Ollie" (Ollie) for a field trip refund for \$5,043. The check was paid out of the Junior Class Fund and Library Lost Books Fund. School officials provided a "Document Inquiry: Vouchers & Checks" document that listed the check as payable to a different individual. The canceled check was endorsed by Ollie. Subsequently, we received and reviewed Ollie's personal bank statements and found the check for \$5,043 was deposited into her personal bank account.

According to School Officials, Ollie was River's adult daughter. There was no record of Ollie paying for a field trip.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

We seek reimbursement of \$48,312 to the High School for unauthorized transactions to Rivers (deceased). (See Summary of Charges, page 15)

We requested Ollie to reimburse the High School \$5,043 for the unauthorized transaction. (See Summary of Charges, page 15)

CASH CHANGE SHORTAGE

The High School had an ECA Cash Change Fund known as the "Vault." The Vault maintained a balance of \$17,121 and was reconciled monthly by Rivers and an employee from the School Corporation office referred to as "The Administrator." The reconciliements consisted of counting the cash in the Vault and documenting the total balance of the outstanding cash boxes.

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RESULTS AND COMMENTS
(Continued)

Cash box request forms were used at the High School to document the club or organization requesting the funds, the date of the request, the date of the return of the cash box, and signatures of the participants.

The Administrator relied upon Rivers to correctly identify the total of the outstanding cash boxes on the reconciliation without verifying them to the cash box request forms or performing independent cash counts of the outstanding cash boxes.

On August 12, 2020, just prior to Rivers being terminated, a surprise cash count of the vault was made by administrator for which Rivers indicated outstanding cash boxes of \$3,300; however, the High School had suspended all extracurricular events due to the pandemic. No one counted the outstanding cash boxes or validated the amount with the athletic director.

On December 1, 2020, after completing a full cash count of the vault and all cash boxes, the High School reduced the Vault's balance from \$17,121 to \$14,155.25 to account for the vault shortage of \$2,965.75.

A Cash Change Fund may be established in any school corporation with the approval of the governing body (board of school trustees), where any officer or employee of the corporation is charged with the duty of collecting fees or other cash revenues. When authorized by the governing body, such Cash Change Fund shall be established by a check drawn on the General Fund (or other appropriate fund) of the extracurricular in an amount to be determined by the governing body. The check is drawn in favor of the officer or employee who has been designated as custodian of the Cash Change Fund. The custodian shall convert same to cash and be held responsible for the safekeeping of such cash and the proper accounting thereof in the same manner as required for other funds of the school corporation. The governing board shall have authority to increase or decrease such fund and shall require the entire Cash Change Fund to be returned to the General Fund if and when it is no longer needed for the purpose established or when a change is made in the custodian of the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any official or employee may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

We seek reimbursement of \$2,965.75 to the High School for the shortage of the Cash Change Fund by Rivers (deceased). (See Summary of Charges, page 15)

PENALTIES AND INTEREST

Rivers paid penalties and interest totaling \$338.66 during 2018-2019 and 2019-2020 due to not remitting sales tax payments timely.

BEN DAVIS HIGH SCHOOL
 METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
 RESULTS AND COMMENTS
 (Continued)

The following schedule breaks down the penalties and interest paid by school year.

School Year	Penalties and Interest Paid
2018-2019	\$ 295.40
2019-2020	43.26
Total	\$ 338.66

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

We seek reimbursement to the High School of \$338.66 for penalties and interest paid on sales tax by Rivers (deceased). (See Summary of Charges, page 15)

SPECIAL INVESTIGATION COSTS

The State of Indiana incurred costs in the amount of \$95,529.60 due to the special investigation of the High School.

Indiana Code 5-11-1-27(m) states in part:

"If the attorney general institutes civil proceedings related to this section or under [IC 5-11-5-1](#), the attorney general shall seek, in addition to the recovery of any funds misappropriated, diverted, or unaccounted for, restitution of:

- (1) costs incurred by the state board of accounts . . .

in connection with the civil proceedings."

Audit costs incurred because of poor records, nonexistent records, or any other inadequate book-keeping practices, or because of theft or a shortage may be the personal obligation of the responsible official or employee.

Any audit costs paid without the prior approval of the SBOA when the SBOA has the statutory requirement to perform the audit of the unit may be considered a duplication of service and an unnecessary expense. These payments may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

We seek reimbursement to the State of Indiana for the special investigation costs in the amount of \$95,529.60 by Rivers (deceased). (See Summary of Charges, page 15)

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RESULTS AND COMMENTS
(Continued)

INSURANCE COVERAGE

The School Corporation, which includes the High School, obtained employee theft insurance coverage that covered the ECA Treasurer position as follows:

Term	Coverage
06-01-18 to 06-01-19	\$ 100,000
06-01-19 to 06-01-20	100,000
06-01-20 to 06-01-21	100,000

PRESCRIBED FORMS

Deposit Distribution Forms (Summary Collection Form (SA-8) Equivalent)

ECA sponsors used Deposit Distribution Forms to record collections for receipts and deposits when remitting the collections to Rivers. The Deposit Distribution Form was created in Microsoft Excel. The Deposit Distribution Forms detailed who submitted the form, the activity/club name, deposit source (sales, fundraiser, fees, etc.), and check and cash totals. In addition, there was a section for teachers/sponsors to breakdown who funds were received from.

As a result of the ECA sponsors not using the prescribed Summary Collection Form (SA-8) to document collections, we could not determine if all of the Deposit Distribution Forms and all collections were accounted for because the Deposit Distribution Forms were not prenumbered or in duplicate.

Furthermore, because Microsoft Excel was used to create the Deposit Distribution Form, collections and other information could be altered electronically. Some of the Deposit Distribution Forms obtained from Rivers for athletic events were altered, not only electronically, but also by hand, and did not agree to either the cash box verification reports or to the Deposit Distribution Forms saved electronically and provided by the athletic department.

Prescribed Receipts

Class sponsors used prenumbered duplicate receipts; however, the receipts were not from a printing supplier to make sure all receipts were in sequential order. No one was monitoring the receipt books to make sure all receipts were accounted for.

Summary Collection Form (SA-8) is prenumbered and to be prepared in duplicate by the sponsor. The original is to the extracurricular treasurer to be retained in numerical order and the duplicate is to be retained in numerical order by the sponsor.

A sponsor for the purpose of Form (SA-8) is the teacher or other person in charge of a classroom or function collecting money. Form SA-8 is to be used as a transmittal document each time fundraiser or field trip money is reported from the sponsor to the extracurricular treasurer. Form SA-8 can be used at the discretion of school officials to account for other items. Space is provided to list check numbers and amounts as applicable. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

BEN DAVIS HIGH SCHOOL
METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
RESULTS AND COMMENTS
(Continued)

The receipt form is to be prenumbered and printed in duplicate, three receipts to the page if bound and five receipts to the page if printed loose-leaf. If printed loose-leaf, the duplicate shall be contained in a post binder as a permanent record. The receipt is to be issued for any and all money received. A separate receipt shall be issued for each amount of money received. The duplicate serves as a register of receipts from which all receipts are posted to the proper activity funds and the control account.

The receipt, to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt. The receipt form must be signed by the treasurer of the extracurricular account or collecting authority. The cash receipts collected by and for the benefit of any activity fund should be in charge of some designated official or sponsor of the activity, until turned over to the treasurer of the extracurricular account. Posting to the control account and the activity funds will be made from the duplicate receipts (Register of Receipts) in the same manner as previously outlined for the posting of checks. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

RECEIPT ISSUANCE

Rivers did not issue receipts to athletic and club sponsors for collections received. We inquired with athletic and club sponsors and receipts were not provided by Rivers as required, not only by the School Corporation's policy, but also in accordance with State Board of Accounts guidelines. The athletic and club sponsors retained copies of the Deposit Distribution for ECA Funds forms to serve as their receipts.

Furthermore, all of the receipts issued by Rivers for collections were dated either on the same date the deposit was made, or just one to three days prior to the deposit date and agreed to the deposit amounts.

The School Corporation maintained a Treasury Binder for Treasurers. The Cash Handling Procedures stated in part:

"1. A receipt should be written for any cash/checks received at the time of the transaction. A copy of this receipt will remain with the cash/checks. The amount receipts should agree with the count of the cash/checks done in conjunction with the remitter. . . ."

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

The receipt form is to be prenumbered and printed in duplicate, three receipts to the page if bound and five receipts to the page if printed loose-leaf. If printed loose-leaf, the duplicate shall be contained in a post binder as a permanent record. The receipt is to be issued for any and all money received. A separate receipt shall be issued for each amount of money received. The duplicate serves as a register of receipts from which all receipts are posted to the proper activity funds and the control account.

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(Continued)

The receipt, to be properly issued, shall show the date, the name of the person from whom the money was received, the payment type, the activity fund for which it was received, the amount and the source of the receipt. The receipt form must be signed by the treasurer of the extracurricular account or collecting authority. The cash receipts collected by and for the benefit of any activity fund should be in charge of some designated official or sponsor of the activity, until turned over to the treasurer of the extracurricular account. Posting to the control account and the activity funds will be made from the duplicate receipts (Register of Receipts) in the same manner as previously outlined for the posting of checks. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

TIMELY DEPOSITS

Rivers was not depositing funds at least once per week, or more often as required by the School Corporation's Treasury Binder for Treasurers, which states, in part, under the cash handling procedures:

"4. A deposit should be prepared at a minimum one (1) time per week, more if the flow of cash/checks exceeds the SBOA threshold . . .

Collections exceeding \$500 were deposited between 3 and 51 days after the collection date."

Indiana Code 5-13-6-1 states in part:

". . . (c) Except as provided in subsections (d) and (g), all local officers, except township trustees, who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month. Public funds deposited under this subsection shall be deposited in the same form in which they were received. . . .

(g) The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500):

- (1) An office of the legislative branch of state government.
- (2) A local officer of a political subdivision required to deposit funds under subsection (c) other than a township trustee.
- (3) A city or a town required to deposit funds under subsection (d).

However, the funds on hand must be deposited not later than the business day following the day that the funds exceed five hundred dollars (\$500)."

OUTSTANDING CHECKS

The August 2020 bank reconciliation indicated the High School had 27 checks totaling \$2,114.15 that were outstanding for over two years that dated as far back as January 2016.

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RESULTS AND COMMENTS
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Indiana Code 5-11-10.5-2 states:

"All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. No individual, bank, trust company, building and loan association, or any other financial institution may honor, cash, or accept for payment or deposit any such warrant or check which may be presented for payment and which has been issued and outstanding for a period of two (2) or more years as of the last day of December of any year."

OUTSIDE ORGANIZATION'S RECORDS - BOOSTER GROUPS

In February of each school year, the Choir Boosters conduct a large event and rely on the ECA to provide cash for their cash change boxes. The School Corporation will loan the High School the money, and after the event, the original cash change is receipted and deposited into the Bookstore Fund. The High School then issues a check back to School Corporation for repayment of the loan.

The ECA should not collect, receipt, remit, or disburse outside organization's monies.

IC 20-41-1-7 states in part: "The treasurer has charge of the custody and disbursement of any funds . . . incurred in conducting any athletic, social, or other school function (other than functions conducted solely by any organization of parents and teachers) . . ." Therefore, activities and organizations which are not extracurricular in nature should be responsible for their own accounting and cash handling systems. The extracurricular account should not collect, receipt, remit, or disburse outside organization's monies. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

INTERNAL CONTROLS

We noted deficiencies in the internal control system relating to the handling of collections, receipts, deposits, disbursements, and recording transactions.

- There was a lack of segregation of duties over the ECA Accounts. Rivers was responsible for accounting for all ECA monies including: preparing the ECA deposit ticket, making the ECA deposits at the bank, issuing ECA receipts, recording the receipts in the ledger, making corrections, maintaining records and supporting documentation for receipts and disbursements, preparing accounts payable vouchers, issuing checks, and reconciling the ECA bank account.
- Athletic and club sponsors at the High School remitted their collections to Rivers without obtaining a receipt from Rivers to acknowledge the amount that was provided to her.
- Internal controls over the cash change funds were inadequate. Monthly reconcilements of funds held in the vault were performed and verified, but amounts recorded on the monthly reconcilements as outstanding cash boxes were not counted or verified to any of the Cash Box Request Forms.
- No one was comparing the Deposit Distribution for ECA Funds forms to the Receipts or Receipts Register (Ledger). Discrepancies observed included:

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RESULTS AND COMMENTS
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- Receipt dates that were days, weeks, or months after the dates on the Deposit Distribution for ECA Funds forms.
- Changes were made to the Deposit Distribution for ECA Fund forms retained by Rivers either by handwritten changes or electronically altering the information on the form; thus, the forms differed from those obtained from the athletic department or other ECA sponsors, including but not limited to changes to collection amounts.
- There was not an adequate review or inquiry over the checks issued from the ECA Funds to ensure disbursements were proper and adequately supported by itemized vendor invoices.
- Corrections were made to the ledgers without any approvals or oversight.

The failure to establish these internal controls could have enabled material misstatements or irregularities to go undetected.

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. . . ."

BEN DAVIS HIGH SCHOOL
METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
EXIT CONFERENCE

The contents of this report were discussed on January 25, 2022, with Dr. Jeff Butts, Superintendent; Ben Wakefield, President of the School Board; Amy Eaton, Director of Finance; Sandra Squire, Ben Davis High School Principal; and Kevin Britt, Ben Davis High School Assistant Principal.

BEN DAVIS HIGH SCHOOL
 METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP
 SUMMARY OF CHARGES
 (Due to Malfeasance, Misfeasance, or Nonfeasance)

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Belinda Rivers (deceased), former Extracurricular Accounts Treasurer:			
Collections Not Deposited, pages 3 through 5	\$ 82,142.16	\$ -	\$ 82,142.16
Unauthorized Transactions, pages 5 and 6	48,312.00	-	48,312.00
Cash Change Shortage, pages 6 and 7	2,965.75	-	2,965.75
Penalties and Interest, pages 7 and 8	338.66	-	338.66
Special Investigation Costs, page 8	95,529.60	-	95,529.60
 Imani Ollie, Belinda Rivers' adult daughter:			
Unauthorized Transactions, pages 5 and 6	<u>5,043.00</u>	-	<u>5,043.00</u>
 Totals	<u>\$ 234,331.17</u>	<u>\$ -</u>	<u>\$ 234,331.17</u>

This report was forwarded to the Office of the Indiana Attorney General and the local prosecuting attorney.

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AFFIDAVIT

STATE OF INDIANA)
)
Porter COUNTY)

I, Kristin Campbell, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of Ben Davis High School, Metropolitan School District of Wayne Township, Marion County, Indiana, for the period from June 1, 2018 to August 13, 2020, is true and correct to the best of my knowledge and belief.

Kristin Campbell
Field Examiner

Subscribed and sworn to before me this 9 day of February, 2022

Jackie Nadeau
Notary Public

My Commission Expires: 1/22/2023

County of Residence: Porter

