

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP

MARION COUNTY, INDIANA

July 1, 2019 to June 30, 2021



**FILED**  
06/22/2022



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	W. Kirk Farmer	07-01-19 to 06-30-22
Superintendent of Schools	Dr. Matthew Prusiecki	07-01-19 to 06-30-22
President of the School Board	Larry Taylor Jimmy Ray Estella Vandeventer Dale Henson	07-01-19 to 12-31-19 01-01-20 to 12-31-20 01-01-21 to 12-31-21 01-01-22 to 06-30-22



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 METROPOLITAN SCHOOL DISTRICT  
OF DECATUR TOWNSHIP, MARION 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 Metropolitan School District of Decatur Township (School Corporation), for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated June 1, 2022, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001, 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 item 2021-001.

***Metropolitan School District of Decatur Township'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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

June 1, 2022



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 METROPOLITAN SCHOOL DISTRICT  
OF DECATUR TOWNSHIP, MARION COUNTY, INDIANA

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

We have audited the Metropolitan School District of Decatur Township'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, 2019 to June 30, 2021. 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.

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)

***Opinion on Each Major Federal Program***

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 major federal programs for the period of July 1, 2019 to June 30, 2021.

***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 items 2021-003, 2021-005, and 2021-006. 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.

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 2021-002, 2021-003, 2021-004, 2021-005, and 2021-006, that we consider to be material weaknesses.

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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2019 to June 30, 2021, and the related notes to the financial statement. We issued our report thereon dated June 1, 2022, 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

June 1, 2022

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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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METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2020 and 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 2019-20	\$ -	\$ 784,877	\$ -	\$ -
School Breakfast Program							
COVID-19 - School Breakfast Program	Indiana Department of Education	10.553	FY 2019-20	-	53,729	-	-
National School Breakfast Program							
Total - School Breakfast Program				-	838,606	-	-
National School Lunch Program							
National School Lunch Program	Indiana Department of Education	10.555	FY 2019-20	-	1,705,269	-	-
19-20 Child Nutrition Commodities			FY 2019-20	-	263,930	-	-
20-21 Child Nutrition Commodities			FY 2020-21	-	-	-	376,602
Sub-Total - National School Lunch Program				-	1,969,199	-	376,602
COVID-19 - National School Lunch Program	Indiana Department of Education	10.555	FY 2019-20	-	117,896	-	-
National School Lunch Program							
Total - National School Lunch Program				-	2,087,095	-	376,602
Summer Food Service Program for Children							
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2019-20; FY 2020-21	-	123,863	-	2,515,162
COVID-19 - Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 2019-20; FY 2020-21	-	352,517	-	763,718
Summer Food Service Program for Children							
Total - Summer Food Service Program for Children				-	476,380	-	3,278,880
Total - Child Nutrition Cluster				-	3,402,081	-	3,655,482
Child and Adult Care Food Program							
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 2019-20; FY 2020-21	-	247,034	-	150,678
Total - Department of Agriculture				-	3,649,115	-	3,806,160
<u>Department of Justice</u>							
Public Safety Partnership and Community Policing Grants							
COPS Office School Violence Prevention Program	Direct Grant	16.710	2019SVWX0085	-	-	-	149,919
Total - Public Safety Partnership and Community Policing Grants				-	-	-	149,919
Total - Department of Justice				-	-	-	149,919
<u>National Endowment for the Humanities</u>							
Promotion of the Humanities Federal/State Partnership							
Indiana Humanities Council	Indiana Humanities Council	45.129	20-8031	-	-	-	991
Indiana Humanities Council			20-8033	-	-	-	2,022
Total - Promotion of the Humanities Federal/State Partnership				-	-	-	3,013
Total - National Endowment for the Humanities				-	-	-	3,013

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2020 and 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education Grants to States							
	Indiana Department of Education	84.027	18611-077-PN01	-	537,803	-	-
			19611-077-PN01	-	1,104,391	-	292,149
			20611-079-PN01	-	72,938	-	1,243,517
			21611-079-PN01	-	-	-	328,130
Total - Special Education Grants to States				-	1,715,132	-	1,863,796
Special Education Preschool Grants							
	Indiana Department of Education	84.173	18619-077-PN01	-	26,251	-	-
			19619-077-PN01	-	32,863	-	17,156
			20619-079-PN01	-	11,875	-	28,134
			21619-079-PN01	-	-	-	25,850
Total - Special Education Preschool Grants				-	70,989	-	71,140
Total - Special Education Cluster (IDEA)				-	1,786,121	-	1,934,936
Teacher and School Leader Incentive Grants							
	Insight Education Group, INC.	84.374	U374A170085-17A	-	357,475	-	-
			U374A170085-17A	-	1,386,730	-	-
			U374A170085-17A	-	-	-	1,150,938
			U374A170085-17A	-	-	-	382,995
Total - Teacher and School Leader Incentive Grants				-	1,744,205	-	1,533,933
Title I Grants to Local Educational Agencies							
	Indiana Department of Education	84.010	S010A180014	-	41,250	-	-
			S010A180014	-	678,504	-	-
			S010A190014	-	52,156	-	-
			S010A190014	-	843,010	-	700,631
			S010A200014	-	-	-	820,333
Total - Title I Grants to Local Educational Agencies				-	1,614,920	-	1,520,964
Education for Homeless Children and Youth							
	MSD of Warren Township	84.196	FY2021	-	-	-	19,920
English Language Acquisition State Grants							
	Indiana Department of Education	84.365	S365A170014	-	2,581	-	-
			S365A180014	-	15,934	-	1,516
			S365A190014	-	33,331	-	18,049
			S365A200014	-	-	-	37,129
Total - English Language Acquisition State Grants				-	51,846	-	56,694

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Years Ended June 30, 2020 and 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-20	Total Federal Awards Expended 06-30-20	Passed Through to Subrecipient 06-30-21	Total Federal Awards Expended 06-30-21
Supporting Effective Instruction State Grants	Indiana Department of Education						
Title II Supporting Effective Instruction		84.367	S367A170013	-	237,888	-	-
Title II Supporting Effective Instruction			S367A180013	-	251,707	-	4,251
Title II Supporting Effective Instruction			S367A190013	-	-	-	262,973
Total - Supporting Effective Instruction State Grants				-	489,595	-	267,224
Student Support and Academic Enrichment Program	Indiana Department of Education						
Student Support & Academic Enrichment		84.424	2018-424-164	-	87,902	-	45,425
Student Support & Academic Enrichment			2019-424-164	-	9,549	-	59,767
Student Support & Academic Enrichment			S424A200015	-	-	-	20,013
Total - Student Support and Academic Enrichment Program				-	97,451	-	125,205
COVID-19 - Education Stabilization Fund							
Governor's Emergency Education Relief Fund	Perry Township Schools	84.425C	S425C200018	-	-	-	127,035
ESSER	Indiana Department of Education	84.425D	S425D200013	-	-	-	1,092,948
Total - COVID-19 - Education Stabilization Fund				-	-	-	1,219,983
Total - Department of Education				-	5,784,138	-	6,678,859
<u>Department of Health and Human Services</u>							
<u>Medicaid Cluster</u>							
Medical Assistance Program							
Medical Assistance Program - IEP	Indiana Family and Social Services Administration	93.778	FY 2019-20; FY 2020-21	-	138,711	-	131,459
Medical Assistance Program - MAC	Indiana Department of Education		FY 2019-20; FY 2020-21	-	69,208	-	158,809
Total - Medical Assistance Program				-	207,919	-	290,268
Total - Medicaid Cluster				-	207,919	-	290,268
Drug-Free Communities Support Program Grants	Direct Grant						
Drug Free Community Support Program		93.276	1H79SP080128-01	-	170,425	-	-
Drug Free Community Support Program			1H79SP080128-01	-	-	-	44,293
Total - Drug-Free Communities Support Program Grants				-	170,425	-	44,293
Total - Department of Health and Human Services				-	378,344	-	334,561
<u>Department of Homeland Security</u>							
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA Covid-19 Public Assistance	Indiana Department of Homeland Security	97.036	385PA4515	-	-	-	80,974
Total - Department of Homeland Security				-	-	-	80,974
Total federal awards expended				\$ -	\$ 9,811,597	\$ -	\$ 11,053,486

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
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, 2020, and 2021. 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.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
	Child Nutrition Cluster	Unmodified
	Special Education Cluster (IDEA)	Unmodified
84.374	Teacher and School Leader Incentive Grants	Unmodified
84.010	Title I Grants to Local Educational Agencies	Unmodified
84.367	Supporting Effective Instruction State Grants	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2021-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: 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).

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The School Corporation failed to properly review the federal grant information prepared and submitted in Gateway. Although one employee prepared and entered the federal award information into Gateway, and another employee reviewed and approved the information entered, the internal control was 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 overstated by \$1,106,899.
2. The National School Lunch Program expenditures were overstated by \$2,013,750.
3. The Summer Food Service Program for Children expenditures were understated by \$3,572,306.
4. Several additional grants had individually immaterial errors that resulted in misstatement of expenditures of \$304,276, in total.
5. Other errors included incorrect program names, pass-thru entities, and identifying numbers.

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

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

2 CFR 200.1 states in part:

". . . *Internal controls* for non-Federal entities means:

(1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (i) Effectiveness and efficiency of operations;
- (ii) Reliability of reporting for internal and external use; . . ."

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. . . ."

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. 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 Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(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.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (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."

*Cause*

Management had not established an effective system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained 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 2021-002**

Subject: Child Nutrition Cluster - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

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

Assistance Listings Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2019-20, FY 2020-21

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Special Tests and Provisions - Verifications of Free and Reduced Price Applications (NSLP)

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2019-002.

*Condition and Context*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Activities Allowed or Unallowed, Allowable Costs/Cost Principles*

The School Corporation's hourly employees were allowed to sign 24-pay contracts which allowed the employee to be paid year-round. Their hourly rate and scheduled hours were used in a 24-pay calculation to determine their 24-pay hourly rate, which was a slight reduction of their regular hourly rate. Payroll vouchers were not reviewed by anyone other than the preparer and no reconciliation of hours to pay for the school year were prepared.

The lack of internal controls was isolated to fiscal year 2019-2020.

*Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)*

The School Corporation completed the verification process and submitted the results online; however, there was no evidence of an oversight or review process to ensure the verifications were handled properly.

The lack of internal controls was systemic throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

Management had not established a system of internal control that would have ensured compliance with the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish a system of internal control related to the grant agreement and Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) compliance requirements.

*Views of Responsible Officials*

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

**FINDING 2021-003**

Subject: Child Nutrition Cluster - Procurement and Suspension and Debarment

Federal Agency: Department of Agriculture

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

Assistance Listings Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2019-20, FY 2020-21

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

*Condition and Context*

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

*Procurement*

The School Corporation did not have effective internal controls in place to ensure that price and rate quotes were obtained from an adequate number of sources for purchases of goods or services that exceeded \$10,000, the small purchase threshold. For 15 of 19 small purchase vendors tested, the School Corporation did not obtain quotes.

*Suspension and Debarment*

The School Corporation did not have effective internal controls in place to ensure contracted vendors were not suspended or debarred or otherwise excluded from participation in federal award programs. The School Corporation could not provide evidence of verification for any of the applicable vendors.

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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.318(i) states:

"The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

2 CFR 180.300 states in part:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

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

*Effect*

The failure to establish an effective system of internal control enabled material noncompliance to go undetected.

*Questioned Costs*

There were no questioned costs identified.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2021-004**

Subject: Title I Grants to Local Educational Agencies - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

Assistance Listings Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): S010A180014, S010A190014, S010A200014

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Special Tests and Provisions - Annual Report Card, High School Graduation Rate

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding numbers were 2019-006 and 2019-008.

*Condition and Context*

An effective internal control system was not in place at the School Corporation to ensure compliance with requirements related to the grant agreement and the Activities Allowed or Unallowed, the Allowable Costs/Cost Principles, and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirements.

*Activities Allowed or Unallowed and Allowable Costs/Cost Principles*

Detailed disbursement reports were provided to a knowledgeable employee for review. However, the reports did not provide sufficient detail for the knowledgeable employee to effectively review and verify that the proper employees were paid at an accurate amount from Title I funds.

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

The School Corporation implemented a procedure to ensure proper documentation was maintained to support the reason students were listed as mobile on the Graduation Cohort Summary Report (report). The report was generated; however, there was no evidence of a review to ensure proper documentation was maintained for all students listed as mobile.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The lack of internal controls was a systemic issue throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

Management had not established an effective system of internal control that would have ensured compliance with the Activities Allowed or Unallowed, the Allowable Costs/Cost Principles, and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirements.

*Effect*

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the Activities Allowed or Unallowed, the Allowable Costs/Cost Principles, and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish an effective system of internal control to ensure compliance with the grant agreement and the Activities Allowed or Unallowed, the Allowable Costs/Cost Principles, and the Special Tests and Provisions – Annual Report Card, High School Graduation Rate compliance requirements.

*Views of Responsible Officials*

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**FINDING 2021-005**

Subject: Title I Grants to Local Educational Agencies - Reporting  
Federal Agency: Department of Education  
Federal Program: Title I Grants to Local Educational Agencies  
Assistance Listings Number: 84.010  
Federal Award Numbers and Years (or Other Identifying Numbers): S010A180014, S010A190014,  
S010A200014  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

*Condition and Context*

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

The Final Expenditure Reports were prepopulated from the reimbursement requests submitted in the Title I Application Center. The School Corporation was responsible for entering the set-aside amounts disbursed from the grant into the final report. For all of the reports tested, the School Corporation did not enter the set-aside information; therefore, the reports did not match the School Corporation's records.

The lack of effective internal controls and noncompliance were isolated to the Final Expenditure Reports.

*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 200.302(b) states in part:

"The financial management system of each non-Federal entity must provide for the following:  
. . .

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting . . ."

*Cause*

Management had not established a system of internal control that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2021-006**

Subject: Special Education Cluster (IDEA) - Procurement and Suspension and Debarment

Federal Agency: Department of Education

Federal Program: Special Education Grants to States

Assistance Listings Number: 84.027

Federal Award Numbers and Years (or Other Identifying Numbers): 18611-077-PN01, 19611-077-PN01,  
20611-079-PN01, 21611-079-PN01

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

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 2019-005.

*Condition and Context*

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

*Procurement*

The School Corporation did not follow procurement requirements for purchases which exceeded the simplified acquisition threshold (SAT) of \$150,000. The School Corporation did not solicit bids for purchases that exceed the SAT for one of two vendors tested.

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Suspension and Debarment*

The School Corporation did not verify that applicable vendors paid from special education funds were suspended or debarred. No alternative procedures were in place to ensure a vendor was not suspended or debarred from participation in federal programs.

The lack of internal controls and noncompliance were systemic issues, which occurred through 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). . . ."

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

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

METROPOLITAN SCHOOL DISTRICT OF DECATUR TOWNSHIP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system enabled material noncompliance to go undetected.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the School Corporation's management establish a system of internal control to ensure compliance and comply with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

*Views of Responsible Officials*

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

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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.



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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2019-001***

Fiscal year in which the finding initially occurred: FY 2018

Status of Audit Finding:

The school district revised the 24 pay election form to include the following: 1) a summary detailing which days worked correspond to a specific pay period; 2) a documented calculation of pay; and 3) signature of approval of the Chief Financial Officer. Also, an electronic time management system has been implemented to improve transparency and approval controls during the audit period.

### ***FINDING 2019-002***

Fiscal year in which the finding initially occurred: SY 2018

Status of Audit Finding:

This finding would not have been fixed by the FY20 and FY21 audit period 7/1/19-6/30/21.

The school district revised the 24 pay election form to include the following: 1) a summary detailing which days worked correspond to a specific pay period; 2) a documented calculation of pay; and 3) signature of approval of the Chief Financial Officer. Also, an electronic time management system has been implemented to improve transparency and approval controls during the audit period.

### ***FINDING 2019-003***

Fiscal year in which the finding initially occurred: SY 2016

Status of Audit Finding:

The school district utilizes an 8400 Prepaid Lunch fund where daily receipts are posted. Monthly transfers are then initiated based upon meals served and other food sales. The Administrative Assistant completes the process and Director of Child Nutrition monitors with verification upon completion.

### ***FINDING 2019-004***

Fiscal year in which the finding initially occurred: SY 2018

Status of Audit Finding:

This finding would not have been fixed by the FY20 and FY21 audit period 7/1/19-6/30/21.



The Director of Child Nutrition completes the verification process then the Administrative Assistant reviews and was responsible for submitting results to IDOE. This process was implemented in July 2020 and documented with signatures.

**FINDING 2019-005**

Fiscal year in which the finding initially occurred: SY 2016

Status of Audit Finding:

This finding would not have been fixed by the FY20 and FY21 audit period 7/1/19-6/30/21.

**Suspension and Debarment-**

Management has established a systematic procedure to verify if any entity or individual have been declared ineligible to receive Federal contracts. The program administrator reviews purchase orders/payments that are paid out of the grant and cross checks with the System for Award Management (SAM). The business office completes the second layer of internal controls when they receive the purchase orders/bill payments and confirms that the SAM documentation is included with those documents. Finally, when a contract is issued for services that will be paid out of the grant, the district will include as part of the contract language a statement that the vendor is verifying that they are not suspended or debarred. This procedure began being utilized in January 2020.

**Procurement –**

Our procedures for procurement and control/review are below:

**Micro:** A Purchase Order Request from is completed by the Special Ed staff member requesting the item. That request is approved by the Coord. of Special Services and the Assistant Superintendent. Once approval is obtained the Admin. Assistant orders the items via Purchase Order, Account or Credit Card. The packing slip is initialed by the staff member who requested the items once an inventory has been taken and sent to the Admin. Assistant. The invoice, once received, is then verified with the PO etc. and signed by the Admin. Asst, Coord of Special Services and Assistant Superintendent. A copy of the PO and invoice are maintained in the Special Services Dept and originals are given to Accounts Payable. Purchase are recorded on a spreadsheet.

**Small Purchases:** A Purchase Order Request from is completed by the Special Ed staff member requesting the item. If the amount of the purchase is \$10,000+ the Admin. Assistant will ask the requester for additional quotes or documentation stating that this item/service is only available from this particular vendor. That request along with the quotes/documentation is approved by the Coord. of Special Services and the Assistant Superintendent. Once approval is obtained the Admin. Assistant orders the items via Purchase Order, Account or Credit Card. The packing slip is initialed by the staff member who requested the items once an inventory has been taken and sent to the Admin. Assistant. The invoice, once received, is then verified with the PO etc. and signed by the Admin. Asst, Coord of Special Services and Assistant Superintendent. A copy of the PO and invoice are maintained in the Special Services Dept and originals are given to the Accounts Payable. Dept. Purchase are recorded on a spreadsheet.

**Simplified Acquisitions:** A Purchase Order Request from is completed by the Special Ed staff member requesting the item. If the amount of the purchase is \$\$150,000+ the Admin. Assistant will instruct the staff member to obtain at least 3 bids or provide documentation stating that this item/service is only available from this particular vendor. That request along with the quotes/documentation is approved by the Coord. of Special Services and the Assistant

Superintendent. Once approval is obtained the Admin. Assistant orders the items via Purchase Order, Account or Credit Card. The packing slip is initialed by the staff member who requested the items once an inventory has been taken and sent to the Admin. Assistant. The invoice, once received, is then verified with the PO etc. and signed by the Admin. Asst, Coord of Special Services and Assistant Superintendent. A copy of the PO and invoice are maintained in the Special Services Dept and originals are given to the Accounts Payable. Dept. Purchase are recorded on a spreadsheet.

The chief financial officer reviews all Purchase as follows:

1 item of \$1,000+ or a group of items equal to or greater than \$5,000.

The Special Services Dept. would not complete a Simplified Acquisition without consulting with the Chief Financial Officer and Assistant Superintendent.

***FINDING 2019-006***

Fiscal year in which the finding initially occurred: SY 2018

Status of Audit Finding:

This finding would not have been fixed by the FY20 and FY21 audit period 7/1/19-6/30/21.

The school district revised the 24 pay election form to include the following: 1) a summary detailing which days worked correspond to a specific pay period; 2) a documented calculation of pay; and 3) signature of approval of the Chief Financial Officer. Also, an electronic time management system has been implemented to improve transparency and approval controls during the audit period.

***FINDING 2019-007***

Fiscal year in which the finding initially occurred: SY 2016

Status of Audit Finding:

Department administration has been trained and directed to utilize the Title I Fiscal Guidance Handbook System provided by the Indiana Department of Education. An effective internal control system is in place at the School Corporation in order to ensure compliance with the grant agreement and the Matching, Level of Effort, Earmarking compliance requirement. Currently, the department administration meets quarterly to ensure compliance.

***FINDING 2019-008***

Fiscal year in which the finding initially occurred: SY 2016

Status of Audit Finding:

This finding would not have been fixed by the FY20 and FY21 audit period 7/1/19-6/30/21.

Program Administrator, Building Administration, and the Data and Testing Coordinator implemented procedures and processes to ensure compliance with requirements related to the

grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement. The Data and Testing Coordinator reviewed and passed Moodle Cohort content and assessments to ensure and adhere to the guidance of those processes and procedures. Supporting documentation was consistently maintained for those students who were removed from their graduation cohort. The Data and Testing Coordinator reviewed the graduation cohort along with administration from the secondary level. The program administrator met to review the cohort information with both the secondary Principal and the Data and Testing Coordinator. Students were tracked and reviewed monthly.

***FINDING 2019-009***

Fiscal year in which the finding initially occurred: SY 2018

Status of Audit Finding:

The grant administrator and Chief Financial officer reviewed matching requirements under the grant agreement with accounting staff to improve awareness. Quarterly time effort submissions were reviewed to ensure all matching expenditures were properly identified and reported to fiscal agent.



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## CORRECTIVE ACTION PLAN

### ***FINDING 2021-001***

Contact Person Responsible for Corrective Action: Kirk Farmer, Chief Financial Officer  
Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with Audit Finding

Description of Corrective Action Plan: Issues related to the CNC Cluster resulted from the USDOA making a change that all program revenue was disbursed from the Summer Food Service Program as a result of the pandemic. This reverted back to being accounted for in each individual program effective July 1, 2021. The Business Department will collaborate with the Director of Food Service to ensure that all NSLP Commodities received are accurately reported. The Business Department will include revenue receipted for IEP services rendered on the SEFA moving forward.

Anticipated Completion Date: June 30, 2022





**CORRECTIVE ACTION PLAN**

5275 Kentucky Avenue  
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**FINDING 2021-002**

Contact Person Responsible for Corrective Action: Nicole Moorhead  
Contact Phone Number: (317) 856-5265

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Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:

The school district revised the 24-pay election form to include the following: 1) a summary detailing which days worked correspond to a specific pay period; 2) a documented calculation of pay; and 3) signature of approval of the Chief Financial Officer. Also, an electronic time management system has been implemented to improve transparency and approval controls during the audit period.

The Child Nutrition Administrative Assistant is responsible for initiating the verification of applications process. The Director of Child Nutrition will review and submit the results to IDOE. This process will be verified with signatures from both parties. This process will be effective for SY 22-23.

Anticipated Completion Date: First paragraph implemented on July 1, 2020 for the 2020-21 school year. Verification process implemented February 1, 2022.

**FINDING 2021-003**

Contact Person Responsible for Corrective Action: Nicole Moorhead  
Contact Phone Number: (317) 856-5265

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:

Procurement Plan was reviewed on February 1, 2022. This plan includes a control over Suspension and Debarment searches. Searches are completed by the Director of Child Nutrition and retained in the Child Nutrition Procurement Google Drive Folder. The Director of Child Nutrition created an Award Letter that includes a statement stating that the Suspension and Debarment searches were successfully completed. The letter also includes all solicited vendors and quote details. The award letter is reviewed and signed by CFO and Director of Child Nutrition. A detailed SOP was created within the Child Nutrition Department which explains the procurement process in length. This SOP addresses the effective control for all quotes received.

Anticipated Completion Date: Implemented February 1, 2022.





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## CORRECTIVE ACTION PLAN

### ***FINDING 2021-004***

Contact Person Responsible for Corrective Action: Susan Strube

Contact Phone Number: (317) 856-5265

Views of Responsible Official: I concur with the identified finding.

Description of Corrective Action Plan:

The Program Administrator and Building Administration will implement procedures and processes to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - High School Graduation Rate compliance requirement. The Data and Testing Coordinator will review and pass Moodle Cohort content and assessments to ensure adherence to those processes and procedures. Supporting documentation will be consistently maintained for the High School Graduation Rate. The Data and Testing Coordinator will review the graduation cohort with the administration from the secondary level. Students will be tracked and reviewed monthly. Signatures of those that attend meetings will be obtained to verify a review for accuracy of the graduation cohort report.

Quarterly payroll distribution list will be provided to the Title I grant director from the Payroll Department to review staff members who are being paid who are listed on the Title I grant. If a correction needs to be made then the Title I grant director will work with the payroll department and Deputy Treasurer to make the corrections. Although a finding from a prior audit year, the implementation of the process was not put into effect until after the findings from the first audit, therefore ample time was not given to correct the finding.

Anticipated Completion Date: Begin this process on July 1, 2022, for the 2022-2023 school year.





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## CORRECTIVE ACTION PLAN

### ***FINDING 2021-005***

Contact Person Responsible for Corrective Action: Susan Strube

Contact Phone Number: (317) 856-5265

Views of Responsible Official: I concur with the identified finding.

Description of Corrective Action Plan:

Decatur Township has established procedures for the Title I Director to review and document review of final expenditure reports to ensure the reports agree to the school corporation's financial records and the grant application with the CFO before submitting through the Title I application center. Currently, the department administration meets quarterly to ensure compliance. Although a finding from a prior audit year, the implementation of the process was not put into effect until after the findings from the first audit, therefore ample time was not given to correct the finding.

Anticipated Completion Date: Begin this process on July 1, 2022, for the 2022-2023 school year





## CORRECTIVE ACTION PLAN

### **FINDING 2021-006**

Contact Person Responsible for Corrective Action: Amie Kiefer, Coordinator of Special Services  
Contact Phone Number: 317-856-5265

Views of Responsible Official: We concur with the Audit Finding

Description of Corrective Action Plan:

#### ***Our procedures for procurement and control/review are below:***

**Micro:** A Purchase Order Request from is completed by the Special Ed staff member requesting the item. That request is approved by the Coord. of Special Services and the Assistant Superintendent. Once approval is obtained the Admin. Assistant orders the items via Purchase Order, Account or Credit Card. The packing slip is initialed by the staff member who requested the items once an inventory has been taken and sent to the Admin. Assistant. The invoice, once received, is then verified with the PO etc. and signed by the Admin. Asst, Coord of Special Services and Assistant Superintendent. A copy of the PO and invoice are maintained in the Special Services Dept and originals are given to Accounts Payable. Purchase are recorded on a spreadsheet.

**Small Purchases:** A Purchase Order Request from is completed by the Special Ed staff member requesting the item. If the amount of the purchase is \$10,000+ the Admin. Assistant will ask the requester for additional quotes or documentation stating that this item/service is only available from this particular vendor. That request along with the quotes/documentation is approved by the Coord. of Special Services and the Assistant Superintendent. Once approval is obtained the Admin. Assistant orders the items via Purchase Order, Account or Credit Card. The packing slip is initialed by the staff member who requested the items once an inventory has been taken and sent to the Admin. Assistant. The invoice, once received, is then verified with the PO etc. and signed by the Admin. Asst, Coord of Special Services and Assistant Superintendent. A copy of the PO and invoice are maintained in the Special Services Dept and originals are given to the Accounts Payable. Dept. Purchase are recorded on a spreadsheet.

**Simplified Acquisitions:** A Purchase Order Request from is completed by the Special Ed staff member requesting the item. If the amount of the purchase is \$150,000+ the Admin. Assistant will instruct the staff member to obtain at least 3 bids or provide documentation stating that this item/service is only available from this particular vendor. That request along with the quotes/documentation is approved by the Coord. of Special Services and the Assistant Superintendent. Once approval is obtained the Admin. Assistant orders the items via Purchase Order, Account or Credit Card. The packing slip is initialed by the staff member who requested the items once an inventory has been taken and sent to the Admin. Assistant. The invoice, once received, is then verified with the PO etc. and signed by the Admin. Asst, Coord of Special Services and Assistant Superintendent. A copy of the PO and invoice are maintained in the Special Services Dept and originals are given to the Accounts Payable. Dept. Purchase are recorded on a spreadsheet.



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**Additional Controls/Review:**

The chief financial officer reviews all Purchase Orders which are for one item totaling \$1,000+ or a group of items totaling \$5,000+.

The Special Services Dept. would not complete a Simplified Acquisition without consulting with the Chief Financial Officer and Assistant Superintendent.

***Suspension and Debarment:***

If a single purchase for a vendor or a combination of all purchases to a vendor during the fiscal year (July 1 – June 30) exceeds \$25,000, the Admin. Assistant, Special Services will search the SAMS website for the vendors suspension and debarment record. The results of the search will be printed, even if no results were found, and given to the Admin. Assistant, Curriculum & Instruction to review. Both Admin. Assistants will initial the printed copy of the results. The printed copy of the SAMS search will be attached to all documents pertaining to the purchase (ie: purchase order, request for purchase, quotes etc.). Those documents will remain together throughout the purchasing and payment process.

Anticipated Completion Date: May 25, 2022

## 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/>.