

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT

DEKALB COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED

03/14/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Stephen W. Snider	07-01-20 to 06-30-23
Superintendent of Schools	Steven Teders	07-01-20 to 06-30-23
President of the School Board	Heather M. Krebs Greg Lantz	07-01-20 to 12-31-22 01-01-23 to 06-30-23



STATE OF INDIANA
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TO: THE OFFICIALS OF THE DEKALB COUNTY CENTRAL UNITED
SCHOOL DISTRICT, DEKALB COUNTY, INDIANA

This report is supplemental to our audit report of the Dekalb County Central United School District (School Corporation), for the period from July 1, 2020 to June 30, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at www.in.gov/sboa/.

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

February 22, 2023

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
AUDIT RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

The School Corporation had not established effective internal controls over the federal award information entered into the Grant Schedule, which is required to be reported annually on the Indiana Gateway for Government Units (Gateway) financial reporting system. Although one employee prepared and entered the federal award information into the Grant Schedule on Gateway, and another employee reviewed and approved the information entered, the internal controls were not effective and did not detect and allow correction of errors prior to submission.

During the audit of the Schedule of Expenditures of Federal Awards (SEFA), which is compiled from the Grant Schedule on Gateway, we noted the following errors:

1. The Summer Food Service Program for Children expenditures were understated by \$673,708 in fiscal year 2020-2021.
2. Immaterial errors in the amount of \$23,101.

Audit adjustments were proposed, accepted by the School Corporation, and made to the SEFA and Grant Schedule.

Criteria

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

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

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

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

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on February 22, 2023, with Stephen W. Snider, Treasurer; Gina Buhr, Director of Business Operations; Steven Teders, Superintendent of Schools; and Greg Lantz, President of the School Board.