

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CLARKSVILLE COMMUNITY SCHOOL CORPORATION

CLARK COUNTY, INDIANA

July 1, 2020 to June 30, 2022



FILED
03/15/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Dianne Lacy	07-01-20 to 06-30-23
Superintendent of Schools	Tina Bennett	07-01-20 to 06-30-23
President of the School Board	William P. Wilson April Hauber	07-01-20 to 01-03-22 01-04-22 to 06-30-23



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TO: THE OFFICIALS OF THE CLARKSVILLE COMMUNITY
SCHOOL CORPORATION, CLARK COUNTY, INDIANA

This report is supplemental to our audit report of the Clarksville Community School Corporation (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 28, 2023

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

AVERAGE DAILY MEMBERSHIP (ADM)

Condition and Context

There were deficiencies noted in the internal controls over reporting of the Average Daily Membership (ADM). The ADM information is compiled and input by the School Corporation's data technician and by the program administrator of the School Corporation's virtual school. The information is then reviewed and certified by the Superintendent of the Schools and the Treasurer; however, the controls were deemed not effective.

There was no documentation provided for fiscal year 2020-2021 that the designated building level officials (Principal, Assistant Principal, etc.) or program administrator of the virtual school, certified the ADM in the form of a written certification to the School Corporation's central office.

For 2021-2022, there was documentation from some of the designated building level officials approving the ADM, but the approval was not in the form of a certification. There was no certification from the program administrator of the virtual school.

Additionally, the School Corporation did not establish proper internal controls to ensure that students were enrolled correctly and were a resident of Indiana. The School Corporation had an Enrollment Policy and Residency Policy; however, internal controls were not in place to ensure the policies were being followed. As a result, the School Corporation was unable to provide proof of residency for four individual students tested. Due to this, we were unable to determine if the students were properly enrolled.

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.

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

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. . . ."

Officials shall maintain records (enrollment cards, rosters, reporting forms, etc.) which substantiate the number of students claimed for ADM.

The building level official (Principal, Assistant Principal, etc.) is responsible for reporting ADM to the School Corporation Central Office, must provide a written certification of ADM to properly document responsibility. The certification must at a minimum include a statement detailing the names and location of the records used (these records must be retained for public inspection and audit) to substantiate ADM claimed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Department of Education Memo date August 27, 2020, Verification of Residency for Membership, states in part:

" . . . Each school corporation's governing body or charter school board must annually adopt or readopt a policy that specifies documentation, not to exceed three items, required to verify Indiana residency. . . ."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 1)

CLARKSVILLE COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 28, 2023, with Dianne Lacy, Treasurer; Tina Bennett, Superintendent of Schools; April Hauber, President of the School Board; and Bettye Davis Craig, School Board member.