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April 12, 2023

To: The Officials of the Metropolitan School District of New Durham Township
Metropolitan School District of New Durham Township
207 E Valparaiso Street
Westville, IN 46391

This report is supplemental to the audit report of Metropolitan School District of New Durham Township (School Corporation), for the period July 1, 2020 to June 30, 2022. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Metropolitan School District of New Durham Township prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM
LaPorte County, Indiana
July 1, 2020 to June 30, 2022

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM

LaPorte County, Indiana
July 1, 2020 to June 30, 2022

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METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM
SCHEDULE OF OFFICIALS
July 1, 2020 to June 30, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Terri Stachowiak	07-01-20 to 06-30-22
Superintendent of Schools	Sandra Wood	07-01-20 to 06-30-22
President of the School Board	Mark Parkman	07-01-20 to 06-30-22

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Metropolitan School District of New Durham

We have examined the Metropolitan School District of New Durham ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2020 to June 30, 2022. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2020 to June 30, 2022, as described in item 2022-001 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2020 to June 30, 2022.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 30, 2023

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2020 to June 30, 2022

FINDING 2022-001: RECORD OF HOURS WORKED

Criteria: Indiana Code 5-11-9-4(b) states in part, *"The state board of accounts shall require that records be maintained showing which hours are worked each day by officers and employees."*

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. . . ."

Condition: During testing of payroll, we noted 1 instance in a sample of 10, in which the timecard was not properly reviewed and approved by a supervisor.

METROPOLITAN SCHOOL DISTRICT OF NEW DURHAM
EXIT CONFERENCE
July 1, 2020 to June 30, 2022

The contents of this report were discussed on March 30, 2023, with Christopher Debruyn, Treasurer, Dr. Sandra Wood, Superintendent, and Mark Parkman, Board President.