

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF COLUMBUS

BARTHOLOMEW COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
02/02/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Luann Welmer	01-01-12 to 12-31-19
Mayor	Kristen S. Brown James D. Lienhoop	01-01-12 to 12-31-15 01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Kristen S. Brown James D. Lienhoop	01-01-15 to 12-31-15 01-01-16 to 12-31-16
President Pro Tempore of the Common Council	Tim Shuffett Frank Jerome	01-01-15 to 12-31-15 01-01-16 to 12-31-16
Superintendent of Utilities	Keith Reeves	01-01-15 to 12-31-16
Utilities Business Manager	Dale Langferman	01-01-15 to 12-31-16
Airport Director	Brian Payne	01-01-15 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
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TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

This report is supplemental to our audit report of the City of Columbus (City), for the period from January 1, 2015 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the City. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the City, which provides our opinions on the City's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

The Federal Findings, identified in the above referenced audit report, are included in this report.

Any Corrective Action Plan for the Federal Findings, incorporated within this report, was not verified for accuracy.

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

December 20, 2016

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CLERK-TREASURER  
CITY OF COLUMBUS

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING

***FINDING 2015-001 - SUSPENSION AND DEBARMENT***

Federal Agency: Department of Transportation

Federal Program: Airport Improvement Program

CFDA Number: 20.106

Federal Award Numbers and Years (or Other Identifying Numbers): 3-18-0012-027 and 3-18-0012-026

*Condition*

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

The City failed to comply with the suspension and debarment requirement for engineering contracts awarded for projects.

*Context*

The City failed to provide documentation that the Engineer used for projects was not suspended or debarred.

*Criteria*

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



CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards 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*

The City had not established a system of internal controls to provide reasonable assurance that the Engineer used for projects was not suspended or debarred.

*Effect*

The failure to establish internal controls enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirement could result in the loss of federal funds to the City.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement 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.



CORRECTIVE ACTION PLAN

**FINDING 2015-001**

Contact Person Responsible for Corrective Action: Brian Payne  
Contact Phone Number: (812) 376-2519

Views of Responsible Official: We believe that the SAM exclusions were performed pursuant to 2 CFR 180.300 but that proof of the search was not documented. There are not specific requirements requiring documentation of the search in 2 CFR 180.300 and we were unaware of the Indiana State Board of Accounts' requirement of physical documentation of the search. The Engineer that we use has never been on the suspended or disbarred lists and are regularly checked for their status. Language in other documents shared with them indicates this requirement.

Description of Corrective Action Plan:

Upon entering a contract, documentation will be kept in our records that either indicates: (1) a search was performed, (2) a certification was collected, or (3) that there was a clause or condition in the covered transaction.

Anticipated Completion Date: This process will begin immediately.

  
\_\_\_\_\_  
(Signature)

**Airport Director**  
\_\_\_\_\_  
(Title)

**12/7/2016**  
\_\_\_\_\_  
(Date)

CLERK-TREASURER  
CITY OF COLUMBUS  
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2016, with Luann Welmer, Clerk-Treasurer; Kimberly Sweet, Chief Deputy Clerk-Treasurer; James D. Lienhoop, Mayor; Frank Jerome, President Pro Tempore of the Common Council; and Brian Payne, Airport Director.

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AIRPORT DIRECTOR  
CITY OF COLUMBUS

AIRPORT DIRECTOR  
CITY OF COLUMBUS  
FEDERAL FINDING

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FEDERAL FINDING  
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(Signature)

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\_\_\_\_\_  
(Title)

**12/7/2016**  
\_\_\_\_\_  
(Date)



AIRPORT DIRECTOR  
CITY OF COLUMBUS  
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