

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CITY OF BLUFFTON

WELLS COUNTY, INDIANA

January 1, 2023 to December 31, 2023



**FILED**

09/27/2024



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tamara D. Runyon Michelle Simon Briana Lautzenheiser	01-01-23 to 12-31-23 01-01-24 to 09-02-24 09-03-24 to 12-31-24
Mayor	John Whicker	01-01-23 to 12-31-24
President of the Board of Public Works and Safety	John Whicker	01-01-23 to 12-31-24
President Pro Tempore of the Common Council	Scott Mentzer	01-01-23 to 12-31-24
Utility Operations Manager	Jon S. Oman	01-01-23 to 12-31-24



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 CITY OF BLUFFTON, WELLS 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 City of Bluffton (City), for the year ended December 31, 2023, and the related notes to the financial statement, which collectively comprise the City's financial statement and have issued our report thereon dated September 19, 2024, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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, as described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002, 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)

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City'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 items 2023-001 and 2023-002.

***City of Bluffton's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE  
Deputy State Examiner

September 19, 2024



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 CITY OF BLUFFTON, WELLS COUNTY, INDIANA

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

***Disclaimed and Unmodified Opinions***

We have audited the City of Bluffton's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Clean Water State Revolving Fund Cluster for the year ended December 31, 2023; and we were engaged to audit the City's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the COVID-19 - Coronavirus State and Local Fiscal Recovery Fund for the year ended December 31, 2023. The City's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

***Disclaimer of Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds***

Because of the significance of the matter described in the *Basis for Disclaimed and Unmodified Opinions* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the City's compliance with the types of compliance requirements referred to above that could have a direct and material effect on the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds for the year ended December 31, 2023.

***Unmodified Opinion on Each of the Other Major Federal Programs***

In our opinion, the City 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 other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2023.

**Basis for Disclaimed and Unmodified Opinions**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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)

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

*Matter Giving Rise to Disclaimer of Opinion on COVID-19 - Coronavirus State and Local Fiscal Recovery Funds*

As described in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the City with 21.027 COVID-19 - Coronavirus State and Local Fiscal Recovery Funds, as described in item 2023-003 for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance. Consequently, we were unable to determine whether the City complied with those requirements applicable to that program.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

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)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**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 2023-004 and 2023-005. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The City's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City'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**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2023-003, 2023-004, 2023-005, and 2023-006, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other 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.

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)

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

We have audited the financial statement of the City, as of and for the year ended December 31, 2023, and the related notes to the financial statement. We issued our report thereon dated September 19, 2024, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed 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

September 19, 2024

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 City. The schedule and notes are presented as intended by the City.

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CITY OF BLUFFTON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2023

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	Total Federal Awards Expended
<u>Department of the Interior</u>					
Outdoor Recreation Acquisition, Development and Planning LANCASTER PARK	Indiana Department of Natural Resources	15.916	70401	\$ -	\$ 190,134
Total - Department of the Interior				-	190,134
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds		21.027			
Coronavirus State and Local Fiscal Recovery Funds	Direct Grant		FY 2023	-	1,920,031
Indiana Local Body Camera	Indiana Department of Homeland Security		385ARPAILBC2022	-	16,800
State Water Infrastructure Fund (SWIF)	Indiana Finance Authority		SWIF223990	-	2,000,000
Total - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				-	3,936,831
Total - Department of the Treasury				-	3,936,831
<u>Environmental Protection Agency</u>					
Clean Water State Revolving Fund Cluster					
Clean Water State Revolving Fund Equivalency Projects	Indiana Finance Authority	66.458	WW21559004	-	6,085,471
Total - Clean Water State Revolving Fund (CWSRF) Cluster				-	6,085,471
Total - Environmental Protection Agency				-	6,085,471
Total federal awards expended				\$ -	\$ 10,212,436

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

CITY OF BLUFFTON  
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 City under programs of the federal government for the year ended December 31, 2023. 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 City, it is not intended to and does not present the financial position of the City.

*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 City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3. Coronavirus State and Local Fiscal Recovery Funds**

The City was awarded a State Water Infrastructure Fund (SWIF) grant from the Indiana Finance Authority (IFA). The funding source for the SWIF grant award is the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) grant. As the IFA maintained custody of the grant funds and disbursed them on the City's behalf, some of the activity for the SLFRF grant that is presented on the SEFA is not presented as receipts and disbursements in the financial statement of the City.

CITY OF BLUFFTON  
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
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds Clean Water State Revolving Fund Cluster	Disclaimer 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 2023-001**

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Condition and Context*

There were deficiencies in the internal control system of the City related to financial transactions and reporting. The City had not separated incompatible activities related to financial close and reporting.

Financial reports are required to be filed after the close of each fiscal year. The reports are to be filed electronically as prescribed.

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The financial information was filed as prescribed. The City entered its financial information into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system, which is the source of the City's financial statement.

The City had not established effective internal controls over the financial information entered into Gateway. Although the Clerk-Treasurer prepared and entered the financial information into Gateway and the Deputy Clerk-Treasurer reviewed 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 financial statement presented for audit included the following errors:

- The Electric Utility-Operating fund receipts and cash and investments ending balance were equally overstated by \$12,923,885.
- The Wastewater SRF 2023 Construction Loan fund with receipts, disbursements, and a cash and investments ending balance of \$35,812,317; \$4,517,853; and \$31,294,464, respectively, was omitted from the financial statement.
- The SRF Bluffton BAN23 fund with receipts and disbursements of \$1,567,618, equally, were omitted from the financial statement.
- The Wastewater Utility-Operating fund receipts and cash and investments ending balance were equally overstated by \$3,191,779.
- The Water Utility-Operating fund receipts were overstated \$2,007,130, and disbursements were understated \$114,724, resulting in a cash and investments ending balance overstatement of \$2,121,854.
- Several additional funds had individually immaterial errors, or omissions that resulted in a receipts and disbursements understatement of \$527,165, and \$838,679, respectively, and a cash and investments ending balance overstatement of \$311,514.

Adjustments were proposed, accepted by the City, and made to the financial statement in the Financial Statement Audit Report for the City.

*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. . . ."

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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 as set forth in the uniform compliance guidelines. 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](#)."

*Cause*

Management of the City had not established an effective system of internal controls that segregated key functions and would have ensured proper financial reporting.

*Effect*

The failure to establish an effective system of internal controls enabled misstatements or irregularities to occur and remain undetected in the financial statement. The financial statement 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.

**FINDING 2023-002**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Condition and Context*

The City is required to file financial reports after the close of each year. The reports are to be filed electronically as prescribed.

The City filed its reports as prescribed; however, internal controls were not implemented over the federal award information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the City's Schedule of Expenditures of Federal Awards (SEFA).

Due to the lack of effective internal controls, the SEFA presented for audit included the following errors:

- The Outdoor Recreation Acquisition, Development and Planning expenditures were overstated by \$1,511,895.
- The COVID-19 - Coronavirus State and Local Fiscal Recovery Funds expenditures totaling \$3,936,831 were omitted.
- The Clean Water State Revolving Fund expenditures totaling \$6,085,471 were omitted.

Adjustments were proposed, accepted by the City, and made to the SEFA presented in this report.

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*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 as set forth in the uniform compliance guidelines. 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](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

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. . . ."

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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.
- (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 of the City had not implemented an effective system of internal controls that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal controls in place, 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.

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2023-003**

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance

Federal Agency: Department of the Treasury

Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Assistance Listings Number: 21.027

Federal Award Number and Year (or Other Identifying Number): FY 2023

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Period of Performance

Audit Findings: Material Weakness, Modified Opinion

*Condition and Context*

Recipients may use COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) funds for any eligible expenses subject to the restrictions set forth in sections 602 and 603 of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 and amended by the Consolidated Appropriations Act of 2023. The SLFRF program provides substantial flexibility for each recipient to meet local needs within seven separate eligible use categories. Recipients may use SLFRF funds to:

- Respond to the COVID-19 public health emergency and its negative economic impacts;
- Respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of eligible employers that have eligible workers who are performing essential work;
- Provide government services, to the extent COVID-19 caused a reduction in revenues collected in the most recent full fiscal year of the recipient;
- Make necessary investments in water, sewer, or broadband infrastructure;
- Provide emergency relief from natural disasters or their negative economic impacts;
- Fund eligible Surface Transportation projects; and
- Fund Title I projects that are eligible activities under the Community Development Block Grant and Indiana Community Development Block Grant programs.

As part of sound management of the federal award, the City was responsible for implementing a system of internal controls that would ensure compliance with the applicable requirements. The City did not properly design or implement such a system.

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The City elected to receive the standard revenue loss allowance, allowing it to claim its total SLFRF allocation of \$2,290,914 as revenue loss to use for government services. The allocated funds may only be used to cover costs incurred from the period beginning on March 3, 2021, and ending on December 31, 2024. Obligations for costs incurred are required to be liquidated no later than December 31, 2026 (the end of the period of performance). During the audit period, the City completed three separate transfers of SLFRF funds from the ARPA Coronavirus Local Fiscal fund to the Comm Crossing Grant Fund and Water Utility-Operating funds, totaling \$976,431 and \$494,159, respectively. The transfers allowed for federal grant funds to be commingled with other grant and operating funds.

Subsequently, expenditures were disbursed from the Comm Crossing Grant Fund and Water Utility-Operating funds. However, since the transfer of SLFRF funds into the Comm Crossing Grant Fund and Water Utility-Operating funds commingled receipts, and the City did not ensure there was an appropriate system of internal controls in place to account for the federal expenditures separately from other grant and operating expenditures, we were unable to determine a complete population of federal expenditures. Without a complete population of expenditures, we were unable to determine the City's compliance with the Activities Allowed or Unallowed, the Allowable Costs/Cost Principles, and the Period of Performance compliance requirements. As such, the \$976,431 and \$494,159 transferred from the ARPA Coronavirus Local Fiscal fund are considered questioned costs.

The lack of internal controls and appropriate documentation to test the compliance requirements was isolated to the situation described above.

*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 200.300(b) states in part: "The non-Federal entity is responsible for complying with all requirements of the Federal award. . . ."

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. . . ."

(b) The financial management system of each non-Federal entity must provide for the following . . .

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
- (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 §§ 200.328 and 200.329. . . .
- (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- (4) Effective control over, and accountability for, all funds, property, and other assets. . . ."

*Cause*

Due to the lack of internal controls, the City was unable to differentiate expenditures made from federal and nonfederal funds once it commingled other grant, operating, and federal grant awards into a single fund within its ledger without consideration of the need to separately identify and account for federal expenditures.

*Effect*

Without the proper implementation of an effectively designed system of internal controls, the Town cannot identify the expenditures paid with federal grant funds. As such the Town cannot ensure nor can we determine that expenditures of the grant were not unallowable and fell within the period of performance.

*Questioned Costs*

We identified \$1,470,590 in known questioned costs as noted above in the *Condition and Context*.

*Recommendation*

We recommended that management of the City establish a system of internal controls to ensure that grant award funds are accounted for and tracked in a designated grant fund. All activity of the grant should be in this fund with supporting documentation for each transaction.

*Views of Responsible Officials*

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

**FINDING 2023-004**

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Suspension and Debarment  
Federal Agency: Department of the Treasury  
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds  
Assistance Listings Number: 21.027  
Federal Award Number and Year (or Other Identifying Number): FY 2023  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

The City elected to receive the standard revenue loss allowance, allowing the City to claim its total COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF) allocation of \$2,290,914 as revenue loss to use for government services. As such, all SLFRF program funds were expended under the revenue loss eligible use category. The U. S. Department of the Treasury (Treasury) determined that there are no subawards under this eligible use category and that recipients' use of revenue loss funds would not give rise to subrecipient relationships given that there is no federal program or purpose to carry out in the case of the revenue loss portion of the award.

Prior to entering into subawards and covered transactions with SLFRF award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods and services awarded under a nonprocurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification from that person or entity, or adding a clause or condition to the covered transaction with that person or entity. Due to the Treasury's determination that the revenue loss eligible use category does not give rise to subawards, the City was only required to comply with suspension and debarment requirements related to covered transactions.

Four covered transactions for goods or services that equaled or exceeded \$25,000 that were paid from SLFRF funds during the audit period were selected for testing. Supporting documentation for each transaction was examined to determine whether the City verified the suspension and debarment status of the vendors prior to payment. The examined supporting documentation did not include evidence the City verified the suspension and debarment status of any of the four vendors that were paid federal funds. Upon inquiry, it was identified that the City had not established policies and procedures related to suspension and debarment requirements. As such, the City did not verify the vendors were neither suspended nor debarred or otherwise excluded or disqualified from participating in federal assistance programs or activities prior to payment.

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:

- (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). . . ."

31 CFR 19.300 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 the *EPLS*; or

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person."

*Cause*

A proper system of internal controls which would include a review of suspension and debarment identification process documentation was not designed by management of the City. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the City's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

*Effect*

Without the proper implementation of an effectively designed system of internal controls, the City cannot ensure the vendors paid with federal funds are eligible to participate in federal programs. Any program funds the City used to pay vendors that have been suspended or debarred would be unallowable, and the funding agency could potentially recover them.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that management of the City establish and implement a system of internal controls to ensure that all vendors that are paid \$25,000 or more, all or in part with federal funds, are not suspended, debarred, or otherwise excluded from participating in federal programs prior to entering into any covered transactions.

*Views of Responsible Officials*

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

**FINDING 2023-005**

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Suspension and Debarment  
Federal Agency: Department of the Treasury  
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds  
Assistance Listings Number: 21.027  
Federal Award Number and Year (or Other Identifying Number): SWIF223990  
Pass-Through Entity: Indiana Finance Authority  
Compliance Requirement: Procurement and Suspension and Debarment  
Audit Findings: Material Weakness, Other Matters

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition and Context*

Prior to entering into subawards and covered transactions with the COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (SLFRF), recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to, contracts for goods and services awarded under a nonprocurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification from that person or entity, or adding a clause or condition to the covered transaction with that person or entity.

All covered transactions involving one vendor for goods or services that equaled or exceeded \$25,000 that were paid from SLFRF funds related to the State Water Infrastructure Fund (SWIF) grant funds during the audit period were selected for testing. Supporting documentation for the transactions were examined to determine whether the City verified the suspension and debarment status of the vendor prior to payment. The examined supporting documentation did not include evidence the City verified the suspension and debarment status of the vendor paid federal funds. Upon inquiry, it was identified that the City had not established policies and procedures related to suspension and debarment requirements. As such, the City did not verify the vendor was neither suspended nor debarred or otherwise excluded or disqualified from participating in federal assistance programs or activities prior to payment.

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:

- (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). . . ."

31 CFR 19.300 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 the *EPLS*; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person."

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

A proper system of internal controls which would include a review of suspension and debarment identification process documentation was not designed by management of the City. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the City's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

*Effect*

Without the proper implementation of an effectively designed system of internal controls, the City cannot ensure the vendors paid with federal funds are eligible to participate in federal programs. Any program funds the City used to pay vendors that have been suspended or debarred would be unallowable, and the funding agency could potentially recover them.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that management of the City establish and implement a system of internal controls to ensure that all vendors that are paid \$25,000 or more, all or in part with federal funds, are not suspended, debarred, or otherwise excluded from participating in federal programs prior to entering into any covered transactions.

*Views of Responsible Officials*

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

**FINDING 2023-006**

Subject: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting  
Federal Agency: Department of the Treasury  
Federal Program: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds  
Assistance Listings Number: 21.027  
Federal Award Number and Year (or Other Identifying Number): FY 2023  
Compliance Requirement: Reporting  
Audit Finding: Material Weakness

*Condition and Context*

Recipients are required to submit an initial interim report and quarterly or annually submit Project and Expenditure (P&E) reports to the U.S. Department of the Treasury (Treasury). The reporting periods, as well as the respective due dates are based upon type of recipient and its population, as well as the recipient's allocation amount. Information to be reported includes projects funded, expenditures, and contracts for the appropriate reporting period.

CITY OF BLUFFTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The City was classified as a city with a population below 250,000 residents that was allocated less than \$10 million in COVID-19 - Coronavirus State and Local Fiscal Recovery Funds. As such, an annual P&E report, covering one calendar year from April 1, 2022 to March 31, 2023, was prepared and submitted by the Deputy Clerk-Treasurer to the Treasury by April 30, 2023. However, the City did not provide evidence the completed and filed report was reviewed by another individual to ensure the accuracy of the information provided.

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*

A proper system of internal controls which would include segregation of key functions was not designed by management of the City. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the City's management statements of what should be done to effect internal controls, and procedures should consist of actions that would implement these policies.

*Effect*

Without the proper design or implementation of the components of a system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that management of the City design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place to ensure the required reports are completed and filed.

*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 DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-001***

**Finding Subject:** Financial Transactions and Reporting

**Summary of Finding:** Material Weakness, Noncompliance

**Contact Person Responsible for Corrective Action:** Bri Lautzenheiser

**Contact Phone Number and Email Address:** bri@blufftonindiana.gov

**Views of Responsible Officials:** We concur with the finding.

#### **Description of Corrective Action Plan:**

Baker Tilly is helping with the accounts and putting proper accounts in place to correct this for the future. They will be training myself on how to enter the correct transactions in the ledger once they are finished with this process. Need to explain our checklist and FS/AFR process.

At least 1 person will review all information entered into gateway for the Financial Statement and initials will be placed either on the document itself or on a checkoff sheet that states what they are reviewing. The person checking the financial files will ensure nothing has been missed on getting entered into the system.

#### **Anticipated Completion Date:**

By the end of 2024, I should be trained and moving forward things will be entered correctly.

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-002***

**Finding Subject:** Preparation of the Schedule of Expenditures of Federal Awards

**Summary of Finding:** Material Weakness, Noncompliance

**Contact Person Responsible for Corrective Action:** Bri Lautzenheiser

**Contact Phone Number and Email Address:** bri@blufftonindiana.gov

**Views of Responsible Officials:** We concur with the finding.

### **Description of Corrective Action Plan:**

At least 1 person will review all information entered into gateway for the SEFA and initials will be placed either on the document itself or on a checkoff sheet that states what they are reviewing. The person checking the grant files will go through the grant folders and ensure nothing has been missed on getting entered into the system.

### **Anticipated Completion Date:**

2024 Annual report entering. However immediately if there is anything that comes through and needs any checks, at least 2 people will review.

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-003***

**Finding Subject:** COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Activities Allowed or Unallowed, Allowable Costs / Cost Principles, Period of Performance

**Summary of Finding:** Material Weakness, Modified Opinion

**Contact Person Responsible for Corrective Action:** Bri Lautzenheiser

**Contact Phone Number and Email Address:** bri@blufftonindiana.gov

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:**

Any transfers that happen, will be reviewed, and will have better documentation of what claims made the transfer happen and make sure supporting documentation is attached to the claim to prove the use of the transferred funds.

**Anticipated Completion Date:** Immediately

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-004***

**Finding Subject:** COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Suspension and Debarment

**Summary of Finding:** Material Weakness, Other Matters.

**Contact Person Responsible for Corrective Action:** Bri Lautzenheiser

**Contact Phone Number and Email Address:** bri@blufftonindiana.gov

**Views of Responsible Officials:** We concur with the finding.

### **Description of Corrective Action Plan:**

All bids going out will include a Suspension and Debarment declaration that all bidders will need to fill out and sign, and the bid packets, including completed declaration, will be reviewed and approved by governance and management.

**Anticipated Completion Date:** immediately

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-005***

**Finding Subject:** COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Suspension and Debarment

**Summary of Finding:** Material Weakness, Other Matters

**Contact Person Responsible for Corrective Action:** Bri Lautzenheiser  
**Contact Phone Number and Email Address:** bri@blufftonindiana.gov

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:**

All bids going out will include a Suspension and Debarment declaration that all bidders will need to fill out and sign, and the bid packets, including completed declaration, will be reviewed and approved by governance and management.

**Anticipated Completion Date:** immediately

## CORRECTIVE ACTION PLAN

### ***FINDING 2023-006***

**Finding Subject:** COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting

**Summary of Finding:** Material Weakness

**Contact Person Responsible for Corrective Action:** Bri Lautzenheiser

**Contact Phone Number and Email Address:** bri@blufftonindiana.gov

**Views of Responsible Officials:** We concur with the finding.

**Description of Corrective Action Plan:**

All persons involved in the internal control; preparer, reviewer, etc. will be documented on the P&E Report document or with a checklist to show that we actually completed the internal controls we have in our policy.

**Anticipated Completion Date:** immediately

## OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.