

STATE BOARD OF ACCOUNTS
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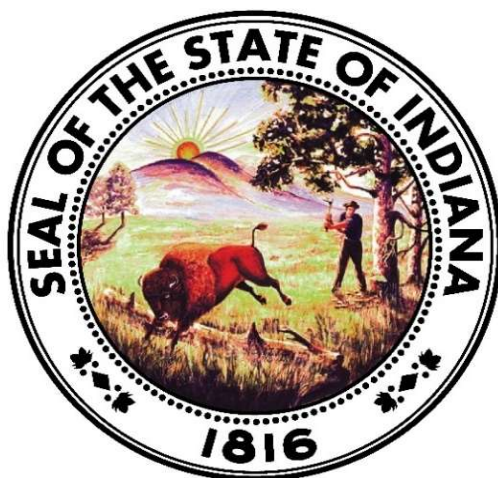
FEDERAL COMPLIANCE AUDIT REPORT

OF

CITY OF COLUMBUS

BARTHOLOMEW COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
08/13/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Luann Welmer	01-01-23 to 12-31-23
Controller	Regina D. McIntyre	01-01-24 to 12-31-24
Mayor	James D. Lienhoop Mary K. Ferdon	01-01-23 to 12-31-23 01-01-24 to 12-31-24
President of the Board of Public Works and Safety	James D. Lienhoop Mary K. Ferdon	01-01-23 to 12-31-23 01-01-24 to 12-31-24
President Pro Tempore of the Common Council	Grace Kestler	01-01-23 to 12-31-23
President of the Common Council	Frank Miller	01-01-24 to 12-31-24
Superintendent of Utilities	Roger Kelso	01-01-23 to 12-31-24
Manager of Finance and Business Operations	(Vacant) Jamie Brinegar (Vacant)	01-01-23 to 04-02-23 04-03-23 to 06-07-24 06-08-24 to 07-10-24
Airport Director	Brian Payne	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 COLUMBUS, BARTHOLOMEW 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 Columbus (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 July 10, 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 item 2023-001, 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 item 2023-001.

City of Columbus' 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

July 10, 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 COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Columbus' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs 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.

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 major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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.

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.

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.

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)

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.

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.

Report on Internal Control over Compliance

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.

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)

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

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 July 10, 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

July 10, 2024

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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.

CITY OF COLUMBUS
 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 Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct Grant	14.218			
Community Development			B17MC180020	\$ -	\$ 5,000
Community Development			B18MC180020	-	38,029
Community Development			B19MC180020	-	32,980
Community Development			B20MC180020	-	20,415
Community Development			B21MC180020	-	34,376
Community Development			B22MC180020	-	169,376
Total - Community Development Block Grants/Entitlement Grants				-	300,176
COVID-19 - Community Development Block Grants/Entitlement Grants	Direct Grant	14.218			
Community Development Strap			B20MW180020	-	187,368
Total - CDBG - Entitlement Grants Cluster				-	487,544
Total - Department of Housing and Urban Development				-	487,544
<u>Department of Transportation</u>					
Federal Transit Cluster					
Federal Transit Formula Grants	Direct Grant	20.507			
IN-2022-013-00/IN-90-X808			IN-2022-013-00/IN-90-X808	-	975,215
IN-2023-017-00/IN-95-X076			IN-2023-017-00/IN-95-X076	-	724,450
Total - Federal Transit Formula Grants				-	1,699,665
Total - Federal Transit Cluster				-	1,699,665
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	Direct Grant	20.106			
AVIATION / FAA GRANT AIRPORT IMPROVEMENT PROGRAM 31			3-18-0012-031-2019	-	51,301
AVIATION / FAA GRANT AIRPORT IMPROVEMENT PROGRAM 33			3-18-0012-033-2020	-	406,974
AVIATION / FAA GRANT AIRPORT IMPROVEMENT PROGRAM 34			3-18-0012-034-2021	-	144,968
AVIATION / FAA GRANT AIRPORT RESURE GRANT / AIRPORT IMPROVEMENT 36			3-18-0012-036-2021	-	59,000
AVIATION / FAA GRANT / AIRPORT IMPROVEMENT PROGRAM 37			3-18-0012-037-2023	-	38,700
AVIATION / FAA GRANT / AIRPORT IMPROVEMENT PROGRAM 38			3-18-0012-038-2023	-	47,605
AVIATION / FAA GRANT / AIRPORT IMPROVEMENT PROGRAM 40			3-18-0012-040-2023	-	72,000
Total - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs				-	820,548

CITY OF COLUMBUS
 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
Highway Planning and Construction Metropolitan Planning Organization Taylor Road from 25th Street Talley Road Bridge 103	Indiana Department of Transportation	20.205	A249-21-G200193/DES 2001059 DES 0500875 DES 1800008	- - -	99,279 150,400 22,912
Total - Highway Planning and Construction				-	272,591
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Metropolitan Planning Organization	Indiana Department of Transportation	20.505	A249-21-G200193/DES 2001059	-	26,391
Total - Department of Transportation				-	2,819,195
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds Coronavirus State and Local Fiscal Recovery Funds	Direct Grant	21.027	2023	-	1,781,175
Total - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds				-	1,781,175
Total - Department of the Treasury				-	1,781,175
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) PUBLIC ASSISTANCE GRANTS	Indiana Department of Homeland Security	97.036	DR-4515	-	57,192
Total - Department of Homeland Security				-	57,192
Total federal awards expended				\$ -	\$ 5,145,106

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

CITY OF COLUMBUS
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.

CITY OF COLUMBUS
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?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

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	Federal Transit Cluster	Unmodified
	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	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

Repeat Finding

This is a repeat finding from the prior audit report. The prior audit finding number was 2022-001.

Condition and Context

The Water and Wastewater Utilities (Utilities) had not developed a proper system of internal controls to ensure that transactions were posted timely and in the correct accounting period. Internal controls over the monthly reconciliations of the depository balance to the financial records for the Utilities were not effective.

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

Bank reconcilements of the Utility funds were performed by the lead accountant, with guidance for adjustments and reconciling items from a consultant. Someone other than the preparer then reviewed and approved the monthly reconciliation. However, the internal control was not effective in ensuring bank reconcilements and the necessary corrections were completed timely. Monthly bank reconcilements for 2023 were not completed until 2024. The adjustments identified during the bank reconciliation process had not been made to the City's ledger as of June 24, 2024.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

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. . . ."

Cause

The Utilities were not preparing their monthly bank reconcilements or posting identified adjustments timely.

Effect

Without the proper implementation of an effectively designed system of internal controls, the Utilities could not detect and correct errors during the monthly bank reconciliations process to ensure timely posting of adjustments and accurate fund balances.

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

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2021-001

FINDING 2022-001

Fiscal year in which the finding initially occurred: 2020

Current Audit Period: 2023

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

Water and Wastewater Utilities

The City had not established effective internal controls over financial transactions that would likely be effective in preventing, or detecting and correcting, errors and noncompliance. Reconciling items and variances on the monthly bank reconciliations were not being resolved in a timely manner. Year-end adjustments were not posted in a timely manner. Additionally checks written in 2023 and back dated to 2022.

Status of Audit Finding:

Partially Corrected.

Monthly bank reconciliations were not completed in a timely manner. We hired Baker Tilly, consultants, to come assist with the preparation of the 2023 reconciliations but these were not completed until 2024. Additionally, there were still several year-end adjustments that had been identified but not recorded timely during the 2023 audit period.

There have been no other occurrences with backdated checks. This was an isolated incident that has been correct.

Response Comments:

Regarding the backdated checks, that issue was resolved in 2024 as the remainder of the 2023 bank reconciliation was finished in the 1st quarter of 2024. For the outstanding adjustments to the bank reconciliations, 2022 and 2023 outstanding adjustments will be resolved by the end of 2024, possibly by the end of June 2024.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 2023

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

CITY

The City failed to establish effective internal controls over the annual financial reports and as a result certain funds related to the Nexus Park Project were not reported correctly.

Status of Audit Finding:

Corrected - The accounting system, and Gateway has been corrected to reflect the changes on the Nexus Park Project.

Response Comments:

No further comments as the corrections were made as planned.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-002

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 2023

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

Summary of Finding:

The City did not have any policies or procedures in place related to verifying suspension and debarment requirements prior to entering into subawards and covered transactions. As a result, noncompliance was noted. Recommended that the City establish internal controls and develop policies and procedures to ensure compliance with suspension and debarment requirements.

Status of Audit Finding:

Corrected – The City has implemented new policies and procedures for the verification of entities to determine if they are suspended, debarred, or otherwise excluded from being eligible for payment with federal funds.

Response Comments:

No further comments as the corrections were made as planned.

CORRECTIVE ACTION PLAN

FINDING 2023-001

Finding Subject: Financial Transactions and Reporting
Summary of Finding:

The City had not established effective internal controls over financial transactions that would likely be effective in preventing, or detecting and correcting, errors and noncompliance. Reconciling items and variances on the monthly bank reconciliations were not being resolved timely. Year-end adjustments were not posted in a timely manner.

Contact Person Responsible for Corrective Action: Regina D. McIntyre, CPA
Contact Phone Number and Email Address: 812-376-2595 (phone); rmcintyre@columbus.in.gov (email)

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

The City Finance Department will work closely with the Columbus City Utilities department to ensure appropriate internal controls are established and maintained in reconciling the monthly bank accounts effectively, correctly, and timely.

Currently, all adjusting journal entries, the reconciliation paperwork, and supporting schedules are sent to the City Finance department for review and finalization within the financial system as well as onto the Gateway public record management system. These reconciliations are reviewed and approved by the Senior Accounting Specialist and the City Controller.

The CCU department is currently using a third party public financial consulting firm to assist in oversight of process design and training for the bank reconciliation process, especially as the department has recently implemented a new billing system. The department along with the City Finance department will work to ensure a transition plan to an independent process for bank reconciliation without the use of a third party oversight.

Anticipated Completion Date:

The anticipated completion date for the above action plan should be completed no later than December 31, 2024.

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/>.