

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

CENTRAL INDIANA REGIONAL
TRANSPORTATION AUTHORITY
MARION COUNTY, INDIANA

January 1, 2015 to December 31, 2015



FILED
07/12/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Directors	Andrew L. Gast-Bray Lori F. Kaplan	01-01-15 to 04-27-15 04-28-15 to 12-31-17
Controller/Finance Manager	Dora J. Fields Andy Jackson (interim) Jeffrey Seidenstein	01-01-15 to 03-13-15 03-14-15 to 08-16-15 08-17-15 to 12-31-17
President of the Board	Christine C. Altman Cassie Stockamp	01-01-15 to 01-13-15 01-14-15 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

TO: THE OFFICIALS OF THE CENTRAL INDIANA REGIONAL TRANSPORTATION
AUTHORITY, MARION COUNTY, INDIANA

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

The Federal Finding, identified in the above referenced audit report, is included in this report.

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

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

April 27, 2017

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
FEDERAL FINDING

FINDING 2015-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Condition

The Authority had designed and implemented controls over receipts; however, the effectiveness of the controls could not be tested. We were unable to substantiate the process identified by the Authority that the person making the deposit was not the same person that had written the receipt.

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. . . ."

Cause

Management had not established a proper system of internal controls over receipting to allow for the testing of its effectiveness.

Effect

The failure to establish an internal control system could have enabled misstatements or irregularities to remain undetected.

Views of Responsible Officials

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



CORRECTIVE ACTION PLAN

201 E Washington St., Room 202
Indianapolis, IN 46204
Office (317) 327-RIDE
www.cirta.us

FINDING 2015-001

The Authority had designed and implemented controls over receipting; however, the effectiveness of the controls could not be tested. We were unable to substantiate that the process identified by the Authority that the person making the deposit was not the same person that had written the receipt.

Contact Person Responsible for Corrective Action: Jeff Seidenstein, Finance Manager
Contact Phone Number: (317) 327-7433 ext. 206

Views of Responsible Official: We concur with the finding that there was a weakness in 2015.

Description of Corrective Action Plan:

Duties previously performed exclusively by the Finance Manager were separated in late 2015. From that point on, the Administrative Assistant receives all cash and checks and writes the receipts. The Assistant Director makes the deposits, and the Finance Manager records the deposit in the accounting system. The Finance Manager reconciles the bank account, which is then reviewed and approved by the Treasurer of the CIRTA Board.

Anticipated Completion Date: Procedures were changed in December, 2015

Jeff Seidenstein
(Signature)

Finance Manager
(Title)

April 24, 2017
(Date)

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on April 27, 2017, with Jeffrey Seidenstein, Controller/Finance Manager; Lori F. Kaplan, Executive Director; and Cassie Stockamp, President of the Board.