

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF COLUMBUS

BARTHOLOMEW COUNTY, INDIANA

January 1, 2017 to December 31, 2017



**FILED**  
11/16/2018



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Luann Welmer	01-01-16 to 12-31-19
Mayor	James D. Lienhoop	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	James D. Lienhoop	01-01-16 to 12-31-19
President of the Common Council	Frank Miller	01-01-17 to 12-31-18
Superintendent of Utilities	Keith Reeves Scott Dompke	01-01-17 to 07-31-18 08-01-17 to 12-31-18
Manager of Finance and Business Operations	Dale Langferman (Vacant) Arron O'Neal	01-01-17 to 01-31-17 02-01-17 to 09-10-17 09-11-17 to 12-31-18
Airport Director	Brian Payne	01-01-17 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

This report is supplemental to our audit report of the City of Columbus (City), for the period from January 1, 2017 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the City. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the City, which provides our opinions on the City's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

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

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

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

October 11, 2018

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CLERK-TREASURER  
CITY OF COLUMBUS

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING

***FINDING 2017-001***

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

*Repeat Finding*

This is a repeat of Finding 2016-001 from the immediately prior audit.

*Condition*

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Due to the lack of effective controls, the SEFA contained the following errors:

1. Federal expenditure amounts were overstated \$359,187 in total.
2. Two Community Development Block Grants/Entitlement Grants projects were omitted.
3. Four state grants and state matching funds from another grant were reported in error.
4. Two programs reported the incorrect CFDA identifying numbers.
5. Two grant totals were recorded incorrectly.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

*Context*

The lack of adequate internal controls was a systemic issue throughout the audit period.

*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. . . .

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

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 Financial statements. . . ."

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 Basis for determining Federal awards expended. 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 CFDA number or other identifying number when the CFDA 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 Basis for determining Federal awards expended, paragraph (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 Indirect (F&A) costs."

*Cause*

Management of the City had not established a proper system of internal control that would have ensured proper reporting of the SEFA.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*Effect*

The failure to establish and properly implement internal controls enabled material misstatements to go undetected. The SEFA contained the errors identified in the *Condition*.

*Recommendation*

We recommended that the City's management establish controls to ensure accurate reporting of the SEFA.

*Views of Responsible Officials*

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

**FINDING 2017-002**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2016-002 from the immediately prior audit.

*Condition*

There were deficiencies in the internal control system of the City's Water and Wastewater Utilities related to financial transactions and reporting.

Bank reconciliations were performed by one employee without a documented oversight or review process. The Utilities established that one employee would collect receipts and a different employee would take the deposits to the bank. No documentation was presented to verify that these duties were performed by two different employees.

*Context*

The lack of controls was a systemic issue throughout the audit period.

*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.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

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 of the City had not established a proper system of internal controls that segregated key functions.

*Effect*

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the City Water and Wastewater Utilities establish a system of internal controls related to financial transactions and reporting over bank reconcilements and receipts.

*Views of Responsible Officials*

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

**FINDING 2017-003**

Subject: Federal Transit Cluster - Internal Controls

Federal Agency: Department of Transportation

Federal Programs: Federal Transit Formula Grants, Bus and Bus Facilities Formula Program

CFDA Numbers: 20.507, 20.526

Federal Award Numbers and Years (or Other Identifying Numbers): IN-90-X654, IN-90-X670,  
IN-90-X674, IN-90-X698,  
IN-90-x717

Pass-Through Entity: Direct Grant

Compliance Requirements: Equipment and Real Property Management, Period of Performance, Reporting

Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat of Finding 2016-004 from the immediately prior audit related to Equipment and Real Property Management.

*Condition*

An effective internal control system was not in place at the City's ColumBUS Transit in order to ensure compliance with requirements related to the grant agreements and the following compliance requirements: Equipment and Real Property Management, Period of Performance, and Reporting.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*Equipment*

There were no controls in place to ensure compliance with the equipment inventory requirements. A capital asset inventory was taken in 2016, but there was no tangible evidence of who performed the work or when it was actually performed.

*Period of Performance*

There were no controls in place to ensure compliance with the period of performance requirements. Requests for reimbursement were compiled by the Director of Transit and submitted to the Deputy Clerk-Treasurer, who submitted them to the federal agency ECHO Drawdown System. There was no tangible evidence that expenses included in the requests were reviewed to ensure that the expenses were incurred during the period of performance.

*Reporting*

There were no controls in place to ensure compliance with the reporting requirements. The Federal Financial Reports were filed quarterly by a grant administrator. There was no tangible evidence that these reports were reviewed for accuracy and completeness by the City prior to submission.

*Context*

The lack of 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*

Management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

*Effect*

The failure to establish a proper internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

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

*Views of Responsible Officials*

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

**FINDING 2017-004**

Subject: Federal Transit Cluster - Activities Allowed or Unallowed, Cash Management, Matching  
Federal Agency: Department of Transportation  
Federal Program: Federal Transit Formula Grants  
CFDA Number: 20.507  
Federal Award Numbers and Years (or Other Identifying Numbers): IN-90-X698, IN-90-x717  
Pass-Through Entity: Direct Grant  
Compliance Requirements: Activities Allowed or Unallowed; Cash Management;  
Matching, Level of Effort, Earmarking  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat of Finding 2016-008 from the immediately prior audit.

*Condition*

An effective internal control system was not in place at the City's ColumBUS Transit in order to ensure compliance with the allowable activities, cash management, and matching requirements. Requests for reimbursement were compiled by the Director of Transit and submitted to the Deputy Clerk-Treasurer, who submitted them to the federal agency ECHO Drawdown system. There was no tangible evidence that a review of the requests for reimbursement, or the expenses included in the requests, was performed to ensure compliance with the compliance requirements listed above before submission.

ColumBUS Transit did not reduce expenses requested for reimbursement by amounts collected from insurance settlements of \$22,474. An increase in budget appropriation of \$19,259 that was recorded as a result of these receipts was included in the actual disbursements reported for reimbursement.

*Context*

The lack of controls was a systemic issue throughout the audit period. The noncompliance was isolated to expenditures that received subsequent refunds or insurance settlements.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*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 200.306(b) states:

"For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under Subpart E—Cost Principles of this part;
- (5) Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of this part, as applicable."

2 CFR 200.402 states: "*Total cost.* The total cost of a Federal award is the sum of the allowable direct and allocable indirect costs less any applicable credits."

2 CFR 200.305(b)(5) states in part: ". . . To the extent available, the non-Federal entity must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments."

*Cause*

The City had not established and implemented an effective internal control system that would have ensured compliance the allowable activities, cash management, and matching requirements.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*Effect*

The failure to establish and implement an effective internal control system placed the City in non-compliance with the grant agreement and the compliance requirements listed above. Noncompliance with the grant agreement and the compliance requirements listed above could have resulted in the loss of federal funds to the City.

*Questioned Costs*

Known questioned costs of \$41,733 were identified as described in the *Condition*.

*Recommendation*

We recommend that the City's management establish and implement an internal control system to ensure compliance with the grant agreement and compliance requirements listed above.

*Views of Responsible Officials*

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

**FINDING 2017-005**

Subject: Federal Transit Cluster - Allowable Costs/Cost Principles  
Federal Agency: Department of Transportation  
Federal Program: Federal Transit Formula Grants  
CFDA Number: 20.507  
Federal Award Numbers and Years (or Other Identifying Numbers): IN-90-x717, IN-90-X698  
Pass-Through Entity: Direct Grant  
Compliance Requirement: Allowable Costs/Cost Principles  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat of Finding 2016-003 from the immediately prior audit.

*Condition*

An effective internal control system was not in place at the City's ColumBUS Transit in order to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

There were no controls in place to ensure that a Cost Allocation Plan was prepared to support central service costs charged to the program.

The City did not prepare a proper Cost Allocation Plan to claim reimbursement for the cost of employee health insurance provided to its employees as a central service. The City charged the transit department \$11,250 annually per employee. The total charged for transit employees was \$214,363. This was included in the request for reimbursement at the federal rate of 50 percent (\$107,181). The City was not able to provide a Cost Allocation Plan to substantiate this amount nor was any other basis provided to substantiate the amount claimed.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*Context*

The lack of 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). . . ."

2 CFR 200.416(a) states:

"For states, local governments and Indian tribes, certain services, such as motor pools, computer centers, purchasing, accounting, etc., are provided to operating agencies on a centralized basis. Since Federal awards are performed within the individual operating agencies, there needs to be a process whereby these central service costs can be identified and assigned to benefitted activities on a reasonable and consistent basis. The central service cost allocation plan provides that process."

2 CFR 200.431(c) states:

"The cost of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in § 200.447 Insurance and indemnification); pension plan costs (see paragraph (i) of this section); and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits, must be allocated to Federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such Federal awards and other activities, and charged as direct or indirect costs in accordance with the non-Federal entity's accounting practices."

*Cause*

The City had not established an effective internal control system that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

*Effect*

The failure to establish and implement an effective internal control system placed the City in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the City.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*Questioned Cost*

Known questioned costs of \$107,181 were identified as described in the *Condition*.

*Recommendation*

We recommended that the City's management establish an internal control system to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

*Views of Responsible Officials*

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

**FINDING 2017-006**

Subject: Federal Transit Cluster - Allowable Costs/Cost Principles, Matching

Federal Agency: Department of Transportation

Federal Program: Federal Transit Formula Grants

CFDA Number: 20.507

Federal Award Numbers and Years (or Other Identifying Numbers): IN-90-X674, IN-90-X698

Pass-Through Entity: Direct Grant

Compliance Requirements: Allowable Costs/Cost Principles; Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat of Finding 2016-005 from the immediately prior audit.

*Condition*

An effective internal control system was not in place at the City's ColumBUS Transit in order to ensure compliance with allowable costs/costs principles and matching requirements.

Effective controls were not in place to ensure that capital costs were not included in operating expenses on a subsequent reimbursement. Requests for reimbursement were compiled by the Director of Transit and submitted to the Deputy Clerk-Treasurer, who submitted them to the federal agency ECHO Drawdown system. There was no tangible evidence that a review of the requests for reimbursement, or the expenses included in the requests, was performed prior to submission.

The City requested an operating drawdown which included the cost of an engine that had already been reimbursed using Operating Assistance drawdown in the prior period. An engine that was purchased in September 2016 for \$10,121 was reimbursed under an operating expense for 50 percent of the cost in November of 2016. The cost of that same engine was reimbursed as a capital expense which was claimed for reimbursement at 80 percent (\$8,067) of the cost in February of 2017.

*Context*

The lack of controls was a systemic issue throughout the audit period. The noncompliance was isolated to this transaction.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*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 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(f) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also § 200.306 Cost sharing or matching paragraph (b). . . ."

2 CFR 200.306(b) states in part:

"For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- (1) Are verifiable from the non-Federal entity's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under Subpart E - Cost Principles of this part;
- (5) Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;. . ."

*Cause*

The City had not established and implemented an effective internal control system that would have ensured compliance with allowable costs/cost principles and matching requirements.

CLERK-TREASURER  
CITY OF COLUMBUS  
FEDERAL FINDING  
(Continued)

*Effect*

The failure to establish and implement an effective internal control system placed the City in non-compliance with the grant agreement and the compliance requirements listed above. Noncompliance with the grant agreement and the compliance requirements could have resulted in the loss of federal funds to the City.

*Questioned Costs*

Known questioned costs of \$8,067 were identified as described in the *Condition*.

*Recommendation*

We recommended that the City's management establish internal controls to ensure compliance with the Allowable Costs/Cost Principles and Matching, Level of Effort, Earmarking compliance requirements.

*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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Luann G. Welmer, Clerk-Treasurer

CORRECTIVE ACTION PLAN

**FINDING 2017-001**

Contact Person Responsible for Corrective Action: Luann Welmer  
Contact Phone Number: 812-376-2510

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan:

The City of Columbus, under the direction of the Clerk Treasurer's Office, will strengthen its internal control procedures to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Clerk Treasurer's Office will conduct follow-up meetings with Departments to discuss audit findings and develop a process for properly reporting all federal programs. These processes will begin immediately.

Luann Welmer  
(Signature)

Clerk Treasurer  
(Title)

Oct. 11, 2018  
(Date)



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Luann G. Welmer, Clerk-Treasurer

## CORRECTIVE ACTION PLAN

### ***FINDING 2017-002***

Contact Person Responsible for Corrective Action: Luann Welmer  
Contact Phone Number: 812-376-2510


Views of Responsible Official: I concur with the finding.

### Description of Corrective Action Plan:

The City of Columbus, under the direction of the Clerk Treasurer's Office, will work with City Water and Wastewater Utilities to strengthen internal control procedures related to financial transactions and reporting with bank reconcilements. The Clerk Treasurer's Office will conduct follow-up meetings with the Columbus City Utilities to discuss audit findings and develop a process for properly reporting all financial transactions. This will be an ongoing process.

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

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

  
\_\_\_\_\_  
(Date)



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Luann G. Welmer, Clerk-Treasurer

CORRECTIVE ACTION PLAN

**FINDING 2017-003**

Contact Person Responsible for Corrective Action: Luann Welmer  
Contact Phone Number: 812-376-2510

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan:

The City of Columbus, under the direction of the Clerk Treasurer's Office, will strengthen its internal control procedures, including segregation of duties, related to Federal Transit Grant Agreements, Bus and Bus Facilities Formula Program, and compliance requirements. The Clerk Treasurer's Office will conduct follow-up meetings with Departments to discuss audit findings and develop a process for properly reporting all federal programs. An anticipated completion date for these processes is April 30, 2019.

Luann Welmer  
(Signature)

Clerk Treasurer  
(Title)

Oct. 11, 2018  
(Date)



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Luann G. Welmer, Clerk-Treasurer

CORRECTIVE ACTION PLAN

**FINDING 2017-004**

Contact Person Responsible for Corrective Action: Luann Welmer  
Contact Phone Number: 812-376-2510


Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan:

The City of Columbus, under the direction of the Clerk Treasurer's Office, will strengthen its internal control procedures over reimbursement requests related to Federal Transit Formula Grant Agreements and compliance requirements. The Clerk Treasurer's Office will conduct follow-up meetings with Departments to discuss audit findings and develop a process for properly reporting all federal programs. An anticipated completion date for these processes is April 30, 2019.

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

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

  
\_\_\_\_\_  
(Date)



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Luann G. Welmer, Clerk-Treasurer

CORRECTIVE ACTION PLAN

**FINDING 2017-005**

Contact Person Responsible for Corrective Action: Luann Welmer  
Contact Phone Number: 812-376-2510

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan:

The City of Columbus, under the direction of the Clerk Treasurer's Office, will strengthen its internal control procedures to ensure compliance with the Federal Transit Grant Agreement and Allowable Costs/Cost Principles compliance requirements. The Clerk Treasurer's Office will conduct follow-up meetings with Departments to discuss audit findings and develop a process for properly reporting all federal programs. An anticipated completion date for these processes is April 30, 2019.

(Signature)

(Title)

(Date)



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Luann G. Welmer, Clerk-Treasurer

CORRECTIVE ACTION PLAN

**FINDING 2017-006**

Contact Person Responsible for Corrective Action: Luann Welmer  
Contact Phone Number: 812-376-2510

Views of Responsible Official: I concur with the finding.

Description of Corrective Action Plan:

The City of Columbus, under the direction of the Clerk Treasurer's Office, will strengthen its internal control procedures over reimbursement requests related to grant agreements and compliance requirements. The Clerk Treasurer's Office will conduct follow-up meetings with Departments to discuss audit findings and develop a process for properly reporting all federal programs. An estimated completion date is April 30, 2019.

Luann Welmer  
(Signature)

Clerk Treasurer  
(Title)

10/11/2018  
(Date)

CLERK-TREASURER  
CITY OF COLUMBUS  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2018, with James D. Leinhood, Mayor; Frank Miller, President of the Common Council; Luann Welmer, Clerk-Treasurer; Kimberly Sweet, Deputy Clerk-Treasurer; James Brinegar, Finance/Budget; Dave Haywood, City Engineer; Scott Dompke, Utility Director; and Bryan Burton, Director of Public Works.