

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF RICHMOND

WAYNE COUNTY, INDIANA

January 1, 2017 to December 31, 2017



FILED
02/27/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Beth Fields	01-01-17 to 12-31-18
Mayor	Dave Snow	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Vicki Robinson	01-01-17 to 12-31-18
President of the Common Council	Misty Hollis Jamie Lopeman	01-01-17 to 12-31-17 01-01-18 to 12-31-18
President of the Board of Sanitary Commissioners	Suzanne Miller	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 RICHMOND, WAYNE COUNTY, INDIANA

This report is supplemental to our audit report of the City of Richmond (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/.

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

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

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

December 19, 2018

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CITY CONTROLLER
CITY OF RICHMOND

CITY CONTROLLER
CITY OF RICHMOND
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 finding from the immediately prior audit report. The prior audit finding number was 2016-001.

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).

There were not adequate controls in place, such as an oversight, review, or approval process, to ensure the accuracy of the information that was entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the City's SEFA.

Context

The SEFA presented for audit contained the following errors:

1. The Economic Development Cluster expenditures were understated by \$322,503.
2. The Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii expenditures were understated by \$83,430.
3. The Missing Children's Assistance expenditures were not included on the SEFA in the amount of \$14,029.
4. The Highway Safety Cluster expenditures were understated by \$12,668 and did not include amounts passed through to subrecipients of \$38,260.
5. Not all CFDA numbers, program names, grants, and identifying numbers were correct or listed.

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

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:

CITY CONTROLLER
CITY OF RICHMOND
FEDERAL FINDING
(Continued)

"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. . . ."

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.

CITY CONTROLLER
CITY OF RICHMOND
FEDERAL FINDING
(Continued)

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the City's management establish controls related to the preparation 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.



CITY OF RICHMOND

DEPARTMENT OF FINANCE & PURCHASING
50 NORTH FIFTH STREET, RICHMOND, INDIANA 47374
PHONE (765) 983-7200 FAX (765) 983-7212

DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-001 the Finance team has recognized the need for additional training and reinforcement of internal controls to ensure proper reporting of the SEFA.

Description of Corrective Action Plan:

We will implement an internal control procedure to provide oversight, review and approval of the City's SEFA to ensure accurate reporting of federal awards. The City will designate one individual in each department which receives federal funds to be responsible for providing all SEFA data to the Finance team. Data provided by the departments will be reviewed by the Deputy Controller and approved by the Controller prior to submission in Gateway.

Anticipated Completion Date: Completed

Signed Beth Fields
Title Controller
Date Dec. 11, 2018

CITY CONTROLLER
CITY OF RICHMOND
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2018, with Beth Fields, City Controller; Dave Snow, Mayor; Jamie Lopeman, President of the Common Council; Vicki Robinson, President of the Board of Public Works and Safety; Ronald Oler, Common Council member; Jeffrey Locke, Common Council member; and Emily Palmer, Deputy City Controller.

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS

FINDING 2017-002

Subject: Economic Adjustment Assistance - Special Tests and Provisions -
Increases to RLF Capital Base and Capital Utilization
Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-36-02088
Compliance Requirement: Special Tests and Provisions - Increases to
RLF Capital Base and Capital Utilization
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior audit report. The prior audit finding number was 2016-004.

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

The ED-209 reports were prepared and submitted by one employee, who was also responsible for monitoring compliance with the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement. There were no control procedures in place, such as an oversight, review, or approval process, to ensure the federal portion of the interest earned on the sequestered funds was remitted in a timely manner. Interest for the period April 1, 2017 to March 31, 2018, was remitted to the Economic Development Administration on June 21, 2018.

Context

The lack of controls and noncompliance was a systemic issue, which occurred 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). . . ."

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(Continued)

13 CFR 307.16(c) states in part:

"Capital utilization standard.

- (1) During the Revolving Phase, RLF Recipients must manage their repayment and lending schedules to provide that at all times at least 75 percent of the RLF Capital is loaned or committed, except that EDA may require an RLF Recipient with an RLF Capital base in excess of \$4 million to adopt a Plan that maintains a proportionately higher percentage of its funds loaned.
- (2) When the percentage of loaned RLF Capital falls below the capital utilization standard, the dollar amount of the RLF funds equivalent to the difference between the actual percentage of RLF Capital loaned and the capital utilization standard is referred to as 'excess funds.'
 - (i) *Sequestration of excess funds.* If the RLF Recipient fails to satisfy the capital utilization standard for two consecutive Reporting Periods, EDA may require the RLF Recipient to deposit excess funds in an interest-bearing account. The portion of interest earned on the account holding excess funds attributable to the Federal Share (as defined in § 314.5 of this chapter) of the RLF Grant shall be remitted to the U.S. Treasury. The RLF Recipient must obtain EDA's written authorization to withdraw any sequestered funds. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the City in noncompliance with the grant agreement and the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

Views of Responsible Officials

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

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(Continued)

FINDING 2017-003

Subject: Economic Adjustment Assistance - Reporting
Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-36-02088
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior audit report. The prior audit finding number was 2016-003.

Condition

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

The ED-209 reports prepared for the periods ending March 31, 2017, and September 30, 2017, were incorrect. The City's records did not match the amounts that were submitted on the reports.

Context

The lack of controls and noncompliance was a systemic problem throughout the audit period. The errors occurred in both reports that had periods ending during 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 200.302(b)(2) states in part: "Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(Continued)

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Reporting 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 2017-004

Subject: Community Development Block Grants/State's Program and
Non-Entitlement Grants in Hawaii - Cash Management

Federal Agency: Department of Housing and Urban Development

Federal Program: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Number): HD-16-012, DR2OR-05-006

Pass-Through Entity: Indiana Housing and Community Development Authority

Compliance Requirement: Cash Management

Audit Findings: Material Weakness, Modified Opinion

Condition

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

The City is required to maintain and provide documentation to support and allow verification that expenses were paid prior to requesting reimbursement. The City contracted with a grant administrator to initially pay the expenses for the program and then request the reimbursements from the federal agency. The City was then required to reimburse the grant administrator once the City received monies from the federal agency. However, several of the requests for reimbursements provided by the grant administrator did not include copies of checks to prove that the expenses were paid prior to requesting reimbursement. Reimbursements from the City to the grant administrator were made after requesting reimbursement.

Context

This was a systemic problem throughout the audit period. There were several reimbursement requests that did not include the copies of retainage checks written by the grant administrator to verify payment prior to requesting reimbursement.

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(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 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Cash Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Cash Management compliance requirement.

Views of Responsible Officials

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

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(Continued)

FINDING 2017-005

Subject: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii - Reporting
Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii
CFDA Number: 14.228
Federal Award Number and Year (or Other Identifying Number): A-192-15-ST-13-101
Pass-Through Entity: Indiana Office of Community and Rural Affairs
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition

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

The City is required to maintain and provide documentation to support and allow verification that proper reports were filed. There were inadequate controls surrounding the grant which passed through the Indiana Office of Community and Rural Affairs. Semiannual reports were filed, but there was no indication of an internal control process to ensure accuracy of the reports.

Context

The lack of controls was a systemic issue, which occurred 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 of the City had not developed a system of internal controls to ensure compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Reporting compliance requirement.

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(Continued)

Questioned Costsss

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Reporting 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: Community Development Block Grants/State's Program and Non-Entitlement
Grants in Hawaii - Allowable Costs/Cost Principles

Federal Agency: Department of Housing and Urban Development

Federal Program: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Numbers): A-192-15-ST-13-101, HD-16-012,
DR2OR-05-006

Pass-Through Entities: Indiana Housing and Community Development Authority;
Indiana Office of Community and Rural Affairs

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

As required by the Indiana Office of Community and Rural Affairs, the City did not adequately document grant transactions in a separate fund or account. Most City grant transactions were posted to the City Grants fund. Without separate accounting, it was difficult to differentiate what was federal, what was not federal, and what belonged to what federal grant.

Context

This was a systemic problem throughout the audit period.

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(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 200.302 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. See also § 200.450 Lobbying. . . ."

Indiana CDBG Handbook, Community Development Block Grants, paragraph 6.3 states:

"Required Financial Records CDBG funds must be maintained in a separate account or in a separate fund within an existing account. Detailed records of receipts and expenditures of grant funds must be maintained at all times. Records must be supported by source documents including but not limited to deposit receipts, invoices and payments, and contracts awarded."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

There were no questioned costs identified.

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
FEDERAL FINDINGS
(Continued)

Recommendation

We recommended that the City's management establish controls 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.



CITY OF RICHMOND

DEPARTMENT OF FINANCE & PURCHASING
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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-002 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Increases to the Capital Base and Capital Utilization.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process, interest remittance is now an item on Controller's reconciliation during the reporting months. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed. The most recent ED209 was completed by one individual and reviewed by a second prior to submission. During the completion of the June ED209 it was discovered that the interest earned on sequestered funds had not been remitted. The EDA was notified and the remittance was forwarded on June 21, 2018.

Signed Beth Fields
Title Controller
Date Dec. 11, 2018



CITY OF RICHMOND

DEPARTMENT OF FINANCE & PURCHASING
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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-003 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for reporting.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process and additional training. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed. The most recent ED209 was completed by one individual and reviewed by a second prior to submission. During the completion of the June ED209 it was discovered that the interest earned on sequestered funds had not been remitted. The EDA was notified and the remittance was forwarded on June 21, 2018.

Signed Beth Fields

Title Controller

Date Dec. 11, 2018



CITY OF RICHMOND

DEPARTMENT OF FINANCE & PURCHASING
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PHONE (765) 983-7200 FAX (765) 983-7212

DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-004 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Cash Management.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process, electronic copies of documents to be kept on the server and additional training. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed.

Signed Beth Fields
Title Controller
Date Dec. 11, 2018



CITY OF RICHMOND

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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-005 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Reporting.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process, electronic copies of documents to be kept on the server and additional training. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed.

Signed Beth Fields
Title Controller
Date Dec 11 2018



CITY OF RICHMOND

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PHONE (765) 983-7200 FAX (765) 983-7212

DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-006 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Allowable Costs.

Description of Corrective Action Plan:

During our 2016 Audit it was suggested that a new fund be set up for each new grant received. All grants included in the 2017 were grants received prior to receiving this information in January of 2018. All new grants will be assigned a new fund to ensure compliance with requirements for Reporting and Allowable Costs.

Anticipated Completion Date: Completed.

Signed Beth Fields
Title Controller
Date Dec 11, 2018

DEPARTMENT OF INFRASTRUCTURE AND DEVELOPMENT
CITY OF RICHMOND
EXIT CONFERENCE

The contents of this report were discussed on December 19, 2018, with Beth Fields, City Controller; Dave Snow, Mayor; Jamie Lopeman, President of the Common Council; Vicki Robinson, President of the Board of Public Works and Safety; Ronald Oler, Common Council member; Jeffrey Locke, Common Council member; and Emily Palmer, Deputy City Controller.