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April 10, 2019

The Officials of the Evansville Metropolitan Planning Organization  
Evansville Metropolitan Planning Organization  
1 NW Martin L King RM 316  
Evansville, IN 47708

This report is supplemental to the audit report of the Evansville Metropolitan Planning Organization (District), for the period from July 1, 2017 to June 30, 2018. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the District. It should be read in conjunction with the financial statement audit report of the District, which provides an opinion on the District's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the District and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Evansville Metropolitan Planning Organization prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 3 contains two Examination Findings and Results. Management's response may be found on page 5.

The report is filed with this letter in our office as a matter of public record.

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

**COMPLIANCE EXAMINATION OF  
EVANSVILLE METROPOLITAN PLANNING ORGANIZATION**

Vanderburgh County, Indiana  
July 1, 2017 to June 30, 2018

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION

Vanderburgh County, Indiana  
July 1, 2017 to June 30, 2018

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EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF OFFICIALS  
July 1, 2017 to June 30, 2018

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Seyed Shokouhzadeh	07-01-17 to 06-30-18
Finance Officer	Kari Akin	07-01-17 to 06-30-18
Chairman of the Policy Committee	Jack Corn, Jr.	07-01-17 to 06-30-18

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of Evansville Metropolitan Planning Organization

We have examined Evansville Metropolitan Planning Organization's ("Unit") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period July 1, 2017 to June 30, 2018. Management of the Unit is responsible for the Unit's compliance with the specified requirements. Our responsibility is to express an opinion on the Unit's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Unit complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Unit complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the Unit's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Special Districts* applicable to the Unit during the period July 1, 2017 to June 30, 2018, as described in items Finding 2018-001 and 2018-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Unit complied, in all material respects, with the aforementioned requirements during the period July 1, 2017 to June 30, 2018.

The Unit's responses to the findings identified in our examination are described in the accompanying Schedule of Examination Findings and Results. The Unit's responses were not subjected to the procedures applied in the examination of compliance and, accordingly, we express no opinion on them.

  
Crowe LLP

Indianapolis, Indiana  
March 14, 2019

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
July 1, 2017 to June 30, 2018

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**FINDING 2018-001: MINIMUM LEVEL OF INTERNAL CONTROLS**

**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. . . ."

**Condition:** During testing, we noted that the Unit has adopted the minimum level of internal controls. However, the Unit has not formally documented the implementation of the minimum level of internal controls, specifically related to implementation of the COSO framework.

**FINDING 2018-002: MATERIALITY THRESHOLD**

**Criteria:** SBOA State Examiner Directive 2015-6 requires political subdivisions to develop a materiality threshold policy approved through ordinance or resolution and policies and procedures to administer and report.

**Condition:** During testing, we noted that the Unit had not adopted a materiality threshold for the period under audit.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
EXIT CONFERENCE  
July 1, 2017 to June 30, 2018

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The contents of this report were discussed on March 14, 2019, with Kari Akin, Finance Officer, Seyed Shokouhzadeh, Executive Director, and Jack Corn, Chairman of the Policy Committee. The officials acknowledged the findings. The Official Response has been made a part of this report and may be found immediately following the findings on the previous page.



March 20, 2019

Crowe LLP  
3815 River Crossing Pkwy Suite 300  
Indianapolis, IN 46240

Dear Audit Team,

The Evansville Metropolitan Planning Organization (EMPO) addresses the FY 2018 Compliance Report - *schedule of findings* with the following action plan below:

1. 2018-001 Minimum Level of Internal Controls: The EMPO plans to formally document the level of internal controls relating to the implementation of the COSO framework by the end of FY 2019.
2. 2018-002 Materiality Threshold: The EMPO plans to formally adopt a materiality threshold by the policy committee by the end of FY 2019.

The EMPO financial staff is registered to attend the State Board of Accounts training session on April 10, 2019 for further clarification of new rules and regulations.

Thank you for providing us the opportunity to respond to these items.

Sincerely,

Seyed Shokouhzadeh  
Executive Director  
Evansville Metropolitan Planning Organization