

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION

VANDERBURGH COUNTY, INDIANA

July 1, 2018 to June 30, 2019



FILED
03/23/2020

TABLE OF CONTENTS

| <u>Description</u> | <u>Page</u> |
|--|-------------|
| Schedule of Officials | 2 |
| Transmittal Letter | 3 |
| Audit Result and Comment: Internal Controls | 4 |
| Exit Conference..... | 5 |

SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|----------------------------------|--------------------|----------------------|
| Executive Director | Seyed Shokouhzadeh | 07-01-18 to 06-30-20 |
| Finance Officer | Kari A. Akin | 07-01-18 to 06-30-20 |
| Chairman of the Policy Committee | Jack Corn, Jr. | 07-01-18 to 06-30-20 |



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TO: THE OFFICIALS OF THE EVANSVILLE METROPOLITAN PLANNING ORGANIZATION, VANDERBURGH COUNTY, INDIANA

This report is supplemental to our audit report of the Evansville Metropolitan Planning Organization (Organization), for the period from July 1, 2018 to June 30, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Organization. It should be read in conjunction with our Financial Statement Audit Report of the Organization, which provides our opinions on the Organization's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

March 16, 2020

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

A similar comment also appeared in prior Report B52550 entitled, *MINIMUM LEVEL OF INTERNAL CONTROLS*.

Condition and Context

There was a deficiency in the internal control system of the Evansville Metropolitan Planning Organization related to control activities. Proper controls had not been implemented related to incompatible activities over financial close and reporting. The Finance Officer prepared the Annual Financial Report on the Indiana Gateway for Government Units financial reporting system, which is the source of the financial statement. The Executive Director reviewed the information that was input to ensure accuracy and completeness; however, no evidence to show that this process had taken place could be provided.

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. . . ."

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION
EXIT CONFERENCE

The contents of this report were discussed on March 16, 2020, with Seyed Shokouhzadeh, Executive Director; Kari A. Akin, Finance Officer; and Jack Corn, Jr., Chairman of the Policy Committee.