B55925

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY

MARION COUNTY, INDIANA

January 1, 2019 to December 31, 2019

FILED
10/14/2020

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SCHEDULE OF OFFICIALS

Office	Official	Term
Executive Director	Andrew McGee (interim)	01-01-19 to 07-12-19
	(Vacant)	07-13-19 to 09-09-19
	Ehren Bingaman (interim)	09-10-19 to 09-27-19
	John Seber	09-28-19 to 12-31-20
Treasurer	Larry Hesson	01-01-19 to 12-31-20
President of the Authority Board	Bill Ehret	01-01-19 to 12-31-20

STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Central Indiana Regional Transportation Authority (Authority), for the year ended December 31, 2019, and the related notes to the financial statement, which collectively comprise the Authority's financial statement and have issued our report thereon dated September 30, 2020, wherein we noted the Authority followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001.

Central Indiana Regional Transportation Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

September 30, 2020

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for the Major Federal Program

We have audited the Central Indiana Regional Transportation Authority's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2019. The Authority's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Basis for Qualified Opinion on Federal Transit Cluster

As described in item 2019-002 in the accompanying Schedule of Findings and Questioned Costs, the Authority did not comply with requirements regarding Procurement and Suspension and Debarment that are applicable to its Federal Transit Cluster. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

Qualified Opinion on Federal Transit Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Federal Transit Cluster* paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its Federal Transit Cluster for the year ended December 31, 2019.

Other Matters

The Authority's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2019-002 and 2019-003, that we consider to be material weaknesses.

The Authority's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the Authority, as of and for the year ended December 31, 2019, and the related notes to the financial statement. We issued our report thereon dated September 30, 2020, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with U.S. Generally Accepted Accounting Principles, and an unmodified opinion was issued regarding the presentation in accordance with the Regulatory Basis of Accounting. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

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

September 30, 2020

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the Authority. The schedule and notes are presented as intended by the Authority.

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2019

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Department of Transportation					
Federal Transit Cluster					
Federal Transit Formula Grants	Direct Grant	20.507			
Commuter Connect - CMAQ			IN-2016-008	$ -	$ 1,092,759
FY 2018 Sec 5307 Grant Award – Mobility Management/Planning & Public Involvement			IN-2018-006	-	106,375
FY 12/15 Reverse Commute Demonstration - S. Plainfield Connector/N. Plainfield Connector/Whitestown Connector			IN950038	-	76,671
Plainfield Bus Shelters			IN-2019-027	-	15
Total - Federal Transit Cluster				-	1,275,820
Total - Department of Transportation				-	1,275,820
Total federal awards expended				$ -	$ 1,275,820

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2019. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the Authority, it is not intended to and does not present the financial position of the Authority.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The Authority has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

Name of Federal Program or Cluster	Opinion Issued
Federal Transit Cluster	Qualified

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2019-001

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 2018-002.

Condition and Context

The Authority did not have an effective system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. An oversight or review process had been implemented; however, the review was not effective as evidenced by errors noted on the SEFA.

The Federal Transit Cluster expenditures were understated by $88,567.

Audit adjustments were proposed, accepted by the Authority, 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:

"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. . . .

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 a 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

The Authority's management had not established an effective system of internal controls that would have ensured proper reporting of the SEFA.

Effect

The failure to establish and implement an effective system of internal controls enabled a material misstatement to go undetected. The SEFA contained the error identified in the *Condition and Context*.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2019-002

Subject: Federal Transit Cluster - Suspension and Debarment
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-2016-008, IN-2018-006, IN950038, IN-2019-027
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition and Context

The Authority had not established an effective internal control system related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement. The Authority adopted a procurement policy on April 23, 2019, which included suspension and debarment requirements; however, there were no effective internal controls to ensure compliance with the policy.

The Authority was required to verify that the vendor of any covered transactions that were expected to equal or exceed $25,000 was not suspended or debarred. The Authority added a clause to the vendor contracts to ensure compliance, but the threshold included in the clause was $100,000 instead of $25,000.

Not all contracts included this clause, but those that did included the incorrect threshold for all vendors tested.

In addition, there was no documentation that the Authority had searched all applicable vendors on the System for Award Management (SAM) to ensure that the vendors were not suspended or debarred.

The lack of internal 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 200.318(a) states: "The non-Federal entity must use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this part."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that that person with whom you intend to do business is not excluded or disqualified.

You do this by:

(a) Checking SAM Exclusions; or

(b) Collecting a certification from that person; or

(c) Adding a clause or condition to the covered transaction with that person."

2 CFR 180.220(b) states in part:

"Specifically, a contract for goods or services is a covered transaction if any of the following applies:

(1) The contract is awarded by a participant in a nonprocurement transaction that is covered under § 180.210, and the amount of the contract is expected to equal or exceed $25,000. . . ."

Central Indiana Regional Transportation Authority - Procurement Policy Manual, Appendix A: Required FTA Contract Clauses, Table 1, page 50:

"Clause – Debarment and Suspension for Professional Services/AE, Operations/Management/Subrecipients, Rolling Stock Purchase, Construction, Materials and Supplies >$25,000."

Cause

The Authority's management had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of federal funds to the Authority.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Authority's management establish a system of internal controls to ensure compliance with the Procurement and Suspension and Debarment compliance requirement. A lack of segregation of duties within an internal control system allowed noncompliance with the Procurement and Suspension and Debarment compliance requirement, and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Views of Responsible Officials

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

FINDING 2019-003

Subject: Federal Transit Cluster - Period of Performance
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-2016-008, IN-2018-006, IN950038, IN-2019-027
Compliance Requirement: Period of Performance
Audit Finding: Material Weakness

Condition and Context

An effective internal control system was not in place at the Authority to ensure compliance with requirements related to the grant agreement and the Period of Performance compliance requirement.

The Finance Manager reviewed the general ledger and made adjustments to the ledger monthly. However, an oversight or review process had not been established to ensure that the adjustments were made within the period of performance of the grant.

The lack of internal 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

The Authority's management had not developed a system of internal controls to ensure compliance with the grant agreement and the Period of Performance compliance requirement.

Effect

The failure to establish an effective internal control system placed the Authority at risk of noncompliance with the grant agreement and the Period of Performance compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the Period of Performance compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Authority's management establish internal controls to ensure compliance with the grant agreement and the Period of Performance compliance requirement.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the Authority. The documents are presented as intended by the Authority.

CIRTA
Central Indiana Regional Transportation Authority
CONNECTING PEOPLE AND PLACES

COMMUTER CONNECT

COUNTY CONNECT
A CIRTA PARTNERSHIP

WORKFORCE CONNECT
A CIRTA PARTNERSHIP

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001
Fiscal year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Melissa Henderson
Contact Phone Number: 317-370-9462

Status of Audit Finding:

The organization had the accounting assistant prepare the report with documentation and then had the Program Managers review and approve it before submission. CIIRTA's interim director left in July 2019. A part-time consultant was hired as the interim director.

FINDING 2018-002
Fiscal year in which the finding initially occurred: 2016
Contact Person Responsible for Corrective Action: Melissa Henderson
Contact Phone Number: 317-370-9462

Status of Audit Finding:

For the internal control issue, the Authority has the contracted Finance Manager input the SEFA information into Gateway. This information is then reviewed by a member of the CIRTA staff, Interim Director or Senior Management member. The process is completed through emails sent between individuals involved. This review would also resolve the issues in the reporting errors on the SEFA. This was completed for the 2019 Submission but was not fully effective as there was still a material error noted on the SEFA.

FINDING 2018-003
Fiscal year in which the finding initially occurred: 2018
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Transportation
Contact Person Responsible for Corrective Action: Melissa Henderson
Contact Phone Number: 317-370-9462

Status of Audit Finding:

For the internal control issue over the Federal Program, the Electronic Clearing House Operation (ECHO) drawdown requests are prepared by the Accountant. These ECHO drawdowns are reviewed by a member of senior management, primarily the Director, Interim Director, or Program Manager, prior to submission to the Federal Transit Authority. This was completed for the 2019 ECHO submissions.

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CORRECTIVE ACTION PLAN

Date of corrective plan implementation 9/29/2020

FINDING 2019-001

Contact Person Responsible for Corrective Action: Melissa Henderson

Contact Phone Number: 317-370-9462

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Schedule of Expenditures of Federal Awards will be compiled from the cash account in MIP and sorted by Fund for the period January 1, 20XX to December 31, 20XX and not complied from submitted Echo draws.

The Accounting Manager will pull the reports from the monthly Gateway submissions detailing receipts by funds. The accounting manager will complete the annual SEFA report. The Accounting Manager will have the Executive Director approve and date the reconciliation between the two reports before the annual SEFA is submitted to Gateway.

This will ensure adequate control measures are in place for adherence.

Anticipated Completion Date: December 31, 2020

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CORRECTIVE ACTION PLAN

Date of corrective plan implementation 9/29/2020

FINDING 2019-002
Contact Person Responsible for Corrective Action: Melissa Henderson

Contact Phone Number: 317-370-9462

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: CIRTA will revise their contract template to include that the vendor of any covered transactions that are expected to equal or exceed $25,000.00 comply with the minimum vendor compliance requirement for the Procurement and Suspension and Debarment requirement.

Additionally, CIRTA will include details acquired from the applicable vendor review utilizing the System for Award Management (SAM) to ensure that said vendors are not suspended or debarred.

The confirmation details/report will be included as part of the complete board package for said contract as part of the approval process.

Anticipated Completion Date: September 29, 2020

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CORRECTIVE ACTION PLAN

Date of corrective plan implementation 9/29/2020

FINDING 2019-003
Contact Person Responsible for Corrective Action: Melissa Henderson

Contact Phone Number: 317-370-9462

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Any adjustments made by the Accounting Manager must be reviewed by the newly appointed Executive Director that was vacant in 2019.

Adjustment review verification will now be done via e-mail confirmation for each said adjustment to ensure proper review and tracking.

Anticipated Completion Date: September 29, 2020

OTHER REPORTS

In addition to this report, other reports may have been issued for the Authority. All reports can be found on the Indiana State Board of Accounts' website: http://www.in.gov/sboa/.