

CITY OF COLUMBIA, MO

SINGLE AUDIT REPORT

YEAR ENDED SEPTEMBER 30, 2022

WITH

INDEPENDENT AUDITOR'S REPORT



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SINGLE AUDIT REPORT
Year Ended September 30, 2022

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Columbia, Missouri

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Columbia, Missouri (City) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022- 001 and 2022-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Allen, Gibbs & Houlik, L.C.

CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, Kansas
March 9, 2023

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

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Columbia, Missouri

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Columbia, Missouri's (City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* 40 issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-003, 2022-004, and 2022-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-003, 2022-004, and 2022-005 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 9, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, 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 basic financial statements as a whole.

Allen, Gibbs & Houlik, L.C

CERTIFIED PUBLIC ACCOUNTANTS

Overland Park, Kansas
March 9, 2023

CITY OF COLUMBIA, MO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2022

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Number</u>	<u>Cluster</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:					
Passed through the Missouri Department of Health:					
Special Supplemental Food Program for Women, Infants and Children	10.557		22BRSTFEDWIC-FOA 22WIC-FOA	\$ -	\$ 549,340
Summer Food Program	10.559	1	21SFSP	-	7,488
Total U.S. Department of Agriculture				-	556,828
U.S. Department of Housing and Urban Development:					
Community Development Block Grants/Entitlement Grants	14.218	2	B-21-MC-29-0001	336,409	591,007
COVID-19-CDBG-CARES	14.218	2	B-21-MC-29-0002	280,116	287,594
HOME Program	14.239		M-21-MC-29-0502	143,059	216,294
Total U.S. Department of Housing and Urban Development				759,584	1,094,895
U.S. Department of Natural Resources					
Clary-Shy Park Development	15.916		29-01165	-	236,792
Total U.S. Department of Natural Resources				-	236,792
U.S. Department of Justice:					
Passed through Boone County:					
Byrne Memorial Justice Assistance Grant	16.738		#15PBJA-21-GG-01607	-	45,082
Passed through the Missouri Department of Public Safety:					
Domestic Violence Enforcement Grant (DOVE)	16.588		2013-VAWA-027-NC	-	64,059
Total U.S. Department of Justice				-	109,141
U.S. Department of Transportation:					
Federal Transit Capital and Operating Assistance Formulas Grants	20.507	3	MO-2017-007, 041-00, 043-00; MO- 2020-023-00	-	72,457
COVID-19 - Federal Transit Capital and Operating Assistance	20.507	3	MO-2020-024-00	-	2,980,840
Police Traffic Services	20.600	5	22-PT-02-125	-	4,811
Dedicated HMM Enforcement	20.600	5	22-PT-02-009	-	66,983
Passed through the Federal Aviation Administration:					
Airport Improvement Program	20.106		3-29-0022-40,42,45,46,48	-	4,994,786
CARES Act Grant	20.106		3-29-0022-050-2020	-	9,270,344
Passed through the Missouri Highway and Transportation Department:					
Highway Planning and Construction	20.205	4	STP-2101(508)	-	1,599,815
Nonmotorized Transportation Grant	20.205	4	CPP-9999	-	73,932
Passed through MoDot Dept, Missouri Highway Safety and Traffic Division:					
DWI Saturation Enforcement	20.607		22-154-AL-115	-	6,161
DWI Traffic Unit	20.616	5	22-M5HV-03-004	-	87,518
Federal Transit Technical Studies Grant	20.505		MP32001C	-	241,680
Passed through the Missouri Safety Center					
State and Community Highway Safety	20.616	5	22-154-AL-104	-	4,490
Youth Alcohol Enforcement Campaign	20.607		22-154-AL-017	-	11,138
Total U.S. Department of Transportation				-	19,414,955
U.S. Department of Treasury:					
Coronavirus Local Fiscal Recovery Fund	21.027		1505-0271	-	12,843,130
Passed through the State of Missouri :					
COVID-19-CARES Unemployment	21.027			-	701
Total U.S. Department of Justice				-	12,843,831
U.S. Department of Natural Resources					
National Endowment of the Arts					
Promotion of the Arts Grants to Organizations and Individuals	45.024		1896226-66-22	-	134,916
Total U.S. Department of Natural Resources				-	134,916

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

CITY OF COLUMBIA, MO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2022

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Number</u>	<u>Cluster</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:					
Association of Food Drug Officials	93.103		G-SP-1910-08116	-	2,500
Passed through the Missouri Department of Health:					
Regional Public Health Emergency Planning & Prep	93.069		DH210048497: 19/20/21PHEP	-	145,107
TB Elimination and Laboratory	93.116		ERS166620008 PS910202-01	-	3,867
COVID-19 ADULT VACCINATION	93.268		DH220049859; IP922606-02M, IP922606-02L,IP922606-02I	-	51,562
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES	93.243		00076793-4	-	17,248
Local Public Health Racial Disparities Initiative	93.323		DH220051246	-	703,828
Child Care and Development Block Grant	93.575	6	CCHC2200017	-	9,215
Local Sanitation Inspections for Child Care Facilities	93.575	6	ERS22020026	-	19,104
Show Me Healthy Women	93.898		ERS16148609; DP171701-03B	-	3,377
CORE Public Health	93.767		DH220050452; 20/21 LPHAMEDEAR;NF2021	-	205,522
Overdose Data to Action	93.136		CE925004-03B	-	17,326
HIV Prevention Activities	93.994		PS924577-03A; DH200048050: PS924577-04A	-	228,885
Teen Outreach Program	93.994		21MCH/22MCH	-	58,633
Maternal and Child Health	93.994		21MCH/22MCH	-	91,125
Passed through North East Community Action:					
Family Planning Title X	93.217		FHPHA006455	-	28,359
Total U.S. Department of Health and Human Services				-	<u>1,585,658</u>
U.S. Department of Homeland Security:					
Law Enforcement Officer Reimbursement, Transportation Security Administration (TSA)	97.090		HSTS02-16-H-SLR833	-	31,620
FEMA	97.083		EMW-2018-FH-00374	-	109,097
FEMA	97.044		EMW-2020-FG-15514	-	182,606
FEMA	97.036		ID 4317 SMD-147	-	130,779
Total U.S. Department of Homeland Security				-	<u>454,102</u>
Total Expenditures of Federal Awards				<u>\$ 759,584</u>	<u>\$36,431,118</u>
Clusters:					
1 - Child Nutrition Cluster					\$ 7,488
2 - CDBG - Entitlement Grants Cluster					878,601
3 - Federal Transit Cluster					3,053,297
4 - Highway Planning and Construction Cluster					1,673,747
5 - Highway Safety Cluster					163,802
6 - 477 Cluster					28,319

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

CITY OF COLUMBIA, MO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended September 30, 2022

1. **Basis of Presentation**

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the City of Columbia, Missouri (City) for the year ended September 30, 2022. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies expended during the year, is included in the schedule. The information in the schedule 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). Therefore, some amounts presented in the schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

2. **Significant Accounting Policies**

Expenditures of federal awards are recognized under the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. **Indirect Cost Rate**

The City elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF COLUMBIA, MO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended September 30, 2022

SECTION I – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported
- Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance: X Yes No

Type of auditor's report issued on compliance for major programs: See below

Assistance Number	NAME OF FEDERAL PROGRAM	Opinion
20.106	<i>Airport Improvement Program and COVID-19 Airports Programs</i>	Unmodified
20.205	<i>Highway Planning and Construction Cluster</i>	Unmodified
20.507	<i>Federal Transit Cluster</i>	Unmodified
21.027	<i>Coronavirus State and Local Fiscal Recovery Funds</i>	Unmodified
93.323	<i>Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)</i>	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 1,092,934

Auditee qualified as low-risk auditee? X Yes No

CITY OF COLUMBIA, MO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Year Ended September 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001 – Accounts Receivable (Significant Deficiency):

Condition: Multiple adjustments were recorded during the audit process related to accounts receivable balances.

Criteria: Management is responsible for designing internal controls that are sufficient to ensure that year-end closing entries are adequately reviewed and approved and that resulting financial statement balances are appropriately reported.

Context: After review of year-end transactions, adjustments were required to properly record the accounts receivable balance.

Cause: Internal controls over the year-end close process were not sufficient to identify all accounts receivable entries.

Effect: Financial statement balances could be materially misstated.

Recommendations: We recommend that the finance department work with each department at the City to ensure that there is a uniform process in place across all city departments to track and properly record receivable balances at year end.

Views of Responsible Officials (Unaudited): Management acknowledges that multiple adjustments were recorded in accounts receivable due to lack of policy or uniformity between City departments and the Finance Department.

Corrective Action Plan (Unaudited): Management will create an accounts receivable policy for all City departments to adhere to in order to create consistency in how our accounts receivable balances are recorded throughout the year. Management will also create a year-end policy and procedure that addresses invoices, year-end transactions, adjustments, and accounts receivable balances.

Contact Person: Matthew Lue, Director of Finance

Anticipated Completion Date: This will be accomplished for the fiscal year 2023 year-end.

CITY OF COLUMBIA, MO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)

Year Ended September 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding 2022-002 – Schedule of Expenditures of Federal Awards Preparation (Significant Deficiency):

Condition: 2 CFR Part 200, section 200.510 requires the City to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the financial statements. Management’s general ledger activity captures most of the information needed to compile the SEFA. However, during testing of the SEFA, we noted that some of the expenses were not correctly identified.

Criteria: An entity that expends federal awards must have controls in place that would enable the entity to prepare a SEFA including controls that determine the accuracy of the amount of expenditures reported for each federal program.

Questioned Costs: N/A

Context: The City expended \$235,277 during fiscal year 2022 that was not initially included on the City’s SEFA. The City also initially incorrectly identified incorrect assistance listing numbers reported on the SEFA.

Cause: The City matched amounts reported in the SEFA to amounts requested for reimbursement and recorded as accounts receivable rather than amounts expended during the fiscal year.

Effect: The lack of an accurate and complete SEFA could lead to grant noncompliance and noncompliance with Subpart F, *Audit Requirements*, of 2 CFR Part 200.

Recommendations: We recommend management and staff complete annual training related to single audits and the preparation of the SEFA. Additionally, we recommend the City implement a process to review the SEFA.

Views of Responsible Officials (Unaudited): Management acknowledges that some of the expenses for the Schedule of Expenditures of Federal Awards (SEFA) were not identified, and see the value in changing our previously audited process.

Corrective Action Plan (Unaudited): Management has identified on March 2, 2023, that the Grant Administrator will be the primary contact for all grant related activity. This position will work closely with each division that receives grant revenue, and assist Finance with tracking reimbursements and expenditures. Additionally, Finance will procure annual grant training for departments that receive grant revenue. Finally, Finance will create the processes and procedures to ensure grants are managed appropriately according to their contracts.

Contact Person: Matthew Lue, Director of Finance

Anticipated Completion Date: This will be accomplished for the fiscal year 2023 year-end.

CITY OF COLUMBIA, MO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Year Ended September 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2022-003 – Timesheet approval (Significant Deficiency):

Assistance # 21.027 – Coronavirus State and Local Fiscal Recovery Funds

Federal Award # and Year: 1505-0271, 2021

Name of Federal Agency: U.S. Department of Treasury

Name of Pass-Thru Agency: N/A

Type of Compliance Finding: A – Activities Allowed or Unallowed, B – Allowable Costs/Cost Principles

Condition: Supervisor review of timesheets was not documented.

Criteria: Someone other than the preparer of the timesheet should be reviewing the information prior to submission for payment.

Questioned Costs: N/A

Context: Supervisor approval was missing from 27 of the 60 payroll expenditures tested. The sample size was determined based upon guidelines provided by the AICPA which is not a statistically valid sample.

Cause: The City did not require supervisor approval for timesheets for employees at the fire department during the year.

Effect: The time reported could be inaccurate.

Recommendations: We recommend the City implement a policy to ensure supervisors approve timesheets prior to submission for payment.

Views of Responsible Officials (Unaudited): Management acknowledges that submitter and supervisor review of timesheets for the Fire Department were not properly documented.

Corrective Action Plan (Unaudited): A corrective action plan is in place as of March 3, 2023. Management has instructed the Fire Department submitters and supervisors to sign all paper timesheets, and provide those signed copies to the Payroll Department for retention. Additionally, the City is currently undergoing an implementation of an electronic time and attendance system. Policies and procedures are being put in place to address the acknowledgement of recorded time by the time submitters and their supervisors.

Contact Person: Matthew Lue, Director of Finance

Anticipated Completion Date: This has been completed as of March 3, 2023.

CITY OF COLUMBIA, MO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Year Ended September 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2022-004 – Timesheet approval (Significant Deficiency):

Assistance # 93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Federal Award # and Year: DH220051246, 2021

Name of Federal Agency: U.S. Department of Health and Human Services

Name of Pass-Thru Agency: Missouri Department of Health

Type of Compliance Finding: A – Activities Allowed or Unallowed, B – Allowable Costs/Cost Principles

Condition: Supervisor review of timesheets was not documented.

Criteria: Someone other than the preparer of the timesheet should be reviewing the information prior to submission for payment.

Questioned Costs: N/A

Context: Supervisor approval was missing from 35 of the 60 payroll expenditures tested. The sample size was determined based upon guidelines provided by the AICPA which is not a statistically valid sample.

Cause: During the year, the supervisor emailed approval of timesheets to the payroll department for processing. Documentation of the approval was not retained for all pay periods.

Effect: The time reported could be inaccurate.

Recommendations: We recommend the City implement a policy to ensure supervisors approve timesheets prior to submission for payment.

Views of Responsible Officials (Unaudited): Management acknowledges that submitter and supervisor review of timesheets for the Health Department were not properly documented.

Corrective Action Plan (Unaudited): A corrective action plan is in place as of March 3, 2023. Management has instructed the Health Department submitters and supervisors to sign all paper timesheets, and provide those signed copies to the Payroll Department for retention. Additionally, the City is currently undergoing an implementation of an electronic time and attendance system. Policies and procedures are being put in place to address the acknowledgement of recorded time by the time submitters and their supervisors.

Contact Person: Matthew Lue, Director of Finance

Anticipated Completion Date: This has been completed as of March 3, 2023.

CITY OF COLUMBIA, MO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Year Ended September 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

Finding 2021-005 – Report review (Significant Deficiency):

Assistance # 93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Federal Award # and Year: DH220051246, 2021

Name of Federal Agency: U.S. Department of Health and Human Services

Name of Pass-Thru Agency: Missouri Department of Health

Type of Compliance Finding: L - Reporting

Condition: A secondary review or approval of quarterly reports was not documented. One of the required quarterly reports was not filed until requested for the audit.

Criteria: Someone other than the preparer of the reports should be reviewing the information for accuracy prior to submission. Someone should also be ensuring that quarterly reports are being properly submitted.

Questioned Costs: N/A

Context: Supervisor approval was not documented for 2 of the 3 reports selected. Additionally, one of the required quarterly reports was not filed until requested for the audit. The sample size was determined based upon guidelines provided by the AICPA which is not a statistically valid sample.

Cause: The City did not have a formal policy in place to require a secondary review or approval of the reports prior to submission or to monitor reporting process to ensure required reports were completed.

Effect: Information could be incorrectly reported to the pass-thru agency.

Recommendations: We recommend the City implement a policy to ensure reports are being reviewed by someone other than the preparer and documented. Additionally, we recommend that the City implement a policy to ensure reports are filed in accordance with the grant agreement.

Views of Responsible Officials (Unaudited): Management acknowledges that a secondary review or approval of grant reports is a worthwhile internal control.

Corrective Action Plan (Unaudited): Management will create the proper processes and procedures to ensure grants are managed appropriately according to their contracts. Management identified on March 2, 2023 that the Grant Administrator will be the primary contact for all grant related activity, to work closely with each division that receives grant revenue in order to review documentation and ensure timely filings.

Contact Person: Matthew Lue, Director of Finance

Anticipated Completion Date: This will be accomplished for the fiscal year 2023 year-end.

CITY OF COLUMBIA, MO

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(CONTINUED)**

Year Ended September 30, 2022

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None