

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

I. FINANCIAL STATEMENT FINDINGS

Our report on internal control over financial reporting indicated the following significant deficiencies:

Significant deficiencies repeated from the prior years are marked with an asterisk.

***18-1 Double-Entry Accounting System**

Finding: The City does not use double-entry accounting for all funds.

Criteria: The use of a double-entry accounting software system, including the preparation of a balanced general ledger would improve the City's ability to detect accounting errors, provide the basis for monthly account and ledger reconciliations, and facilitate financial reporting for all Special Revenue Funds, Fiduciary Funds and its long-term debt and fixed assets.

Condition: The City does not maintain a double-entry accounting system or process a general ledger utilizing an accounting software system for all Special Revenue Funds, Fiduciary Funds and its long-term debt and fixed assets.

Cause: The financial activity is maintained annually on ledger sheets for most of these funds and for others the only sources of documentation are canceled checks and bank statements

Effect: The City does not have the ability to detect accounting errors, provide the basis for monthly account and ledger reconciliations, and prepare meaningful financial reports.

Recommendation: We recommend that the City adopt a general ledger accounting software system for all funds and activities, including federal and state financial assistance funds. The use of a double-entry accounting software system, including the preparation of a balanced general ledger would improve the City's ability to detect accounting errors, provide the basis for monthly account and ledger reconciliations, and facilitate financial reporting. The Chart of Accounts, developed for the General Fund, should be utilized for the other funds of the City to ensure consistency with account names and numbers and to develop an internal reporting package.

***18-2 Bank Reconciliations and Approval of Bank Reconciliations**

Finding: Bank reconciliations were not formally prepared during the year for general fund checking accounts.

Criteria: The Finance Department should be preparing the bank reconciliations and the Finance Director should formally approve the bank reconciliations on all City bank accounts.

Cause: Lack of formal procedures.

Effect: Possible material errors could occur and not be detected timely.



**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Recommendation: We recommend that all bank reconciliations be prepared by the Finance department within a reasonable period of time after the month end. These reconciliations should then be reviewed by the comptroller for accuracy and completeness.

D *18-3 Availability of financial information

Finding: During the audit process, information from various departments related to numerous audit schedules and related information was unavailable in a timely manner. The City's audit for the year ended June 30, 2018 did not start until October 2018. In addition, some schedules and required information were not available for audit until March 2019.

Criteria: Information related to financial statements should be presented at the close of the fiscal year or at a reasonable time thereafter.

Cause: Lack of year-end closing procedures.

Effect: The timely availability of information related to the financial statements has delayed the completion of the audited financial statements and other submissions that rely upon the audited financial statements.

Recommendation: The preparation of information relative to the financial statements in accordance with the City of Derby, Connecticut's reporting requirements should be provided in a timely manner. Schedules, reports and other financial information related to the City's financial condition as a whole should be maintained monthly throughout the year, forwarded to the Finance Department when that information becomes available and reconciled to the books and records of the City. A review of the financial statements should be done by accounting personnel to determine that all schedules and records are provided timely.

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

***18-4 WPCA Purchase Order Approval Process**

Finding: The bookkeeper performed recordkeeping, custodial and approval functions.

Criteria: The WPCA should have adequate segregation of duties and responsibilities in order to assure the safeguarding of assets and the proper preparation of financial statements.

Cause: The WPCA (Agency) did not have adequate segregation of duties and responsibilities in order to assure the safeguarding of assets and the proper preparation of financial statements. Certain functions, such as receipt and listing of checks, preparation and review of bank reconciliations, approval of purchase orders and invoices and signing and distribution of checks, to provide the necessary checks and balances of the Agency's internal control, are performed by the same individual. This lack of segregation of duties results in inadequate financial control over the operation of the Agency.

Effect: Lack of segregation of duties may lead to errors, or improprieties could occur and go undetected.

Recommendation: We recommend that the WPCA consider assigning additional personnel, independent of the accounting function, to duties such as, receipt and listing of checks, preparation and review of bank reconciliations, approval of purchase orders and invoices and signing and distribution of checks to provide the necessary checks and balances of the Agency's internal control. Consideration should also be given to utilizing the cash receipts procedure and the purchase order and cash disbursement process of the WPCA to compensate for the lack of personnel and segregation of duties in this Agency.

***18-5 Accounts Payable Cut-off-Board of Education**

Finding: The Board of Education's accounts payable were not properly recorded at year end on the City's general ledger.

Criteria: 8/15 Expenditures should be accrued when incurred in accordance with accounting principles generally accepted in the United States of America.

Cause: Lack of **monthly reconciliations** with the City and Board Education ledgers.

Effect: Account payable and accrued payroll in the amount of \$3,107,786 were incurred as of June 30, 2018 and were not properly recorded.

Recommendation: We recommend that accounts payable and accrued payroll be recorded when incurred on a monthly basis. **A reconciliation** with the City's general ledger and the Board of Education ledger should be done on a monthly basis to ensure that liabilities and expenditures are properly recorded.

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

18-6 Reconciliation of City and Board of Education

- Finding:** The Board of Education and City were not reconciled at year end.
- Criteria:** A formal reconciliation should be performed on a monthly basis to ensure agreement of the City's general ledger accounts with the Board of Education records.
- Cause:** **No formal reconciliation process** is being performed between the City and Board of Education on a monthly basis.
- Effect:** A prior period adjustment of \$2,634,603 was recorded as a reduction of the general fund balance.
- Recommendation:** We recommend that the Board of Education utilize the accounting system to **reconcile cash, accounts receivable, accounts payable, deferred inflows of financial resources** in addition to the income and expenditure ledgers that are already being utilized to have a complete self-balancing set of accounts. This will assist to quickly identify variances. That information should be timely shared between the City and Board of Education to ensure that both the City and Board of Education ledgers are in agreement.

***18-7 Cash Account Activity- General Fund Operating, Board of Education and Self Insurance Accounts**

- Finding:** Various cash accounts had activity that was found not to be recorded or recorded in net amounts.
- Criteria:** All cash activity should be recorded in the City's general ledger.
- Cause:** Lack of policies and procedures.
- Effect:** Cash accounts were contained significant errors that were not corrected by the Finance Department timely.
- Recommendation:** We recommend that all cash transactions be reflected in the general ledger and that transactions are reported at their gross amounts. In addition, accounts that have separate bank statements have separate general ledger accounts. All cash accounts should be reconciled monthly and reviewed by the comptroller.


18-8 Budgeting

- Finding:** The City significantly overestimated grant revenues in the original budget.
- Criteria:** The ECS-Alliance grant was budgeted as City revenue and did not have an off-setting appropriation. This resulted in a revenue shortfall of \$1,241,153. The Educational Cost Sharing Grant was budgeted for \$7,624,231 but only \$6,857,372 was actually paid by the State of Connecticut leaving a \$766,859 shortfall. The Private Colleges and Hospital Grant was budgeted for \$833,361 and \$690,309 was actually paid by the State of Connecticut

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

leaving a \$143,053 shortfall. In addition, the ECS-Alliance grant monies that were received in the 2017-2018 fiscal year were not remitted to the Board of Education until subsequent to June 30, 2018.

Cause: The final budget was not adjusted/corrected during the year.

Effect:  Approximately \$909,911 in grant monies were anticipated that was not received. The actual amount of the ECS-Alliance grant received during the fiscal year ended June 30, 2018 was \$1,036,699. These monies were paid to the Board of Education in the following fiscal year.

Recommendation: We recommend that the City establish a separate special revenue fund for the educational grants. The grants monies should be remitted to the Board of Education within a reasonable period of time when received by the City.

*18-9 Encumbrance System

Finding: The City departments are not fully utilizing the encumbrance system.

Criteria: The City's formal purchase order encumbrance system should be monitored to control its appropriation expenditures.

Condition: The City has a formal purchase order encumbrance system in place to monitor and control its appropriation expenditures. However, it appears that not all departments are fully utilizing the encumbrance system, and in some cases, purchase orders are dated subsequent to the invoice and check date.

Cause: Lack of monitoring of the purchase order system.

Effect: Purchase orders are not used on a timely basis and encumbrances are not placed on appropriation accounts.

Recommendation: For a fully effective purchase order system, all purchase orders should be prepared and approved prior to the actual date of ordering the goods or services. When this process is being utilized, appropriation expenditures, which may be over expended, will be flagged prior to any over expenditure.

*18-10 Special Assessments/Collection Efforts

Finding: Special Assessments are not actively collected.

Criteria: Special assessments for sewer and water are past due and there should be active collection in effect to reduce the amount of outstanding assessments.

Condition: The special assessments for sewer and water are past due and there are no active collection activities in effect to reduce the amount of outstanding assessments. In some cases, there is no information in the tax collector's office that states that the sewer and water hookup was

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

made on certain properties.

Cause: Lack of formal collection activity.

Effect: Special assessments for sewer and water are not currently being collected.

Recommendation: We recommend that the City authorize legal counsel to investigate ways to enforce the collection of these past due assessments or obtain authorization for the City to write these assessments off as uncollectible.

***18-11 Interfund Transfers**

Finding: Interfund balances are not repaid timely.

Criteria: Interfund transfers had been made by the City primarily between projects in the Capital Projects funds and Enterprise Funds should be repaid on a timely basis.

Condition: Interfund transfers have been made by the City primarily between projects in the Capital Projects funds and Enterprise Funds. In some cases, the transfers were not repaid when the funds were available and interfund balances are outstanding at the balance sheet date.

Cause: No timely repayment procedures have been established.

Effect: Interfund transfers are outstanding for extended periods of time.

Recommendation: We recommend that all interfund transfers be repaid as soon as the funds become available and transfers be properly authorized by the appropriate board before being made.

***18-12 Compensated Absences-City**

Finding: There is no formal reconciliation of compensated absences.

Criteria: The City should established a policy of reconciling, on a regular basis or at year end, the departmental employees days for vacation, sick or personal leave to the payroll records.

Condition: Individual departments currently maintain compensated absence records for their departmental employees entitled to compensated absences as dictated by various union bargaining agreements

Cause: Individual departments currently maintain compensated absence records.

Effect: Lack of consistency of reporting compensated absences.

Recommendation: We recommend that the City establish a procedure for maintaining centralized records related to available used and unused vacation, sick and personal leave days to properly

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

evaluate the liability for compensated absences. This process should include a summary of the bargaining agreement provisions related to the various employee categories to be used by the individuals who are summarizing the compensated absence data. This centralized record should be related to the employee history files as generated from the payroll system and should be reconciled to departmental records quarterly or semi-annually.

***18-13 Parking Authority**

- Finding:** Parking ticket revenues are not recorded on an accrual basis.
- Criteria:** The revenue from the parking tickets should be recorded on the general ledger when they are issued (accrual basis).
- Condition:** While the parking ticket system put in place in January of 1999 on a computerized parking ticket system appears to be working properly, the revenue from the parking tickets is not being recorded on the general ledger until the tickets are paid (cash basis) instead of when they are issued (accrual basis). Parking tickets deemed uncollectible are not being written off nor is there a formal procedure for the acting director to authorize such write-offs, although in some cases, the acting director alone is authorizing corrections and write-offs.
- Cause:** Lack of understanding by the bookkeeper.
- Effect:** Untimely recording of revenues from parking tickets.
- Recommendation:** We recommend that the City of Derby consider assigning additional personnel, independent of the accounting function to duties such as receipt and listing of checks, preparation and review of bank reconciliations, approval of purchase orders and invoices and signing and distribution of checks, to provide the necessary checks and balances of the internal control system. Consideration should also be given to utilizing the cash receipts procedure of the General Fund of the City of Derby to compensate for the lack of personnel and segregation of duties in this Division. We also recommend that all checks be issued to an individual or a company as opposed to cash as the payee and that for all subcontractors paid in excess of \$600, that the appropriate 1099s be filed with the Internal Revenue Service.

***18-14 Revenues Classification**

- Finding:** Revenues were not properly recorded in their respective general ledger accounts
- Criteria:** Revenues should be classified in their budgeted general ledger accounts.
- Cause:** There is no review of the revenue accounts done on a regular basis.
- Effect:** Audit adjustments of \$2,341,878 were proposed to reclassify grant revenues. Improper assumptions can be made for budgeting revenues in future periods.
- Recommendation:** We recommend a review of the miscellaneous, grant and deferred revenue accounts prior to internal and external reporting of financial information.

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

***18-15 Accounts Receivable Cut-off**

Finding: Accounts Receivable were not recorded at year end.

Criteria: Revenues should be recognized in the accounting period in which they become available and measurable.

Cause: No review process of grants receivable at year end and improper coding of revenues during the year.

Effect: \$297,511 of accounts receivable in the general fund were not properly recorded at June 30, 2018.

Recommendation: We recommend that revenues be recognized in the accounting period in which they become available and measurable.

18-16 Comingling of Funds

Finding: The Board of Education maintains one cash account for operations and grant. The comingling of operational and grant monies makes it difficult if not impossible to reconcile with the City.

Criteria: A separate bank account should be maintained for grant income and expenditures in order to properly track inflows and outflows of grant monies. Assets such as grants receivable and liabilities such as deferred inflows and accounts payable should also be recorded and reconciled on a monthly basis.

Cause: Improper classification of grant funds.

Effect: Significant errors can occur and not be timely detected. Also see finding 18-05 and 18-06.

Recommendation: We recommend that the Board of Education utilize the accounting system to reconcile cash, accounts receivable, accounts payable, deferred inflows of financial resources in addition to the income and expenditures for educational grants. In addition, we recommend moving the grant accounting from the General Fund to a Special Revenue Fund where it is better classified.

***18-17 Federal and State Single Audit Schedules**

Finding: The Finance Department did not prepare a schedule of expenditures of federal awards and state financial assistance for the year ended June 30, 2018. These schedules are derived from federal and state grant awards received by the General Government and the Board of Education of the City. The Board of Education grant awards primarily are passed through the State Department of Education, while the City receives their grants primarily through the

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

State Department of Housing and Urban Development, the State Department of Health and Human Resources, the State Department of Agriculture and the Office of Policy and Management. The preparation of these schedules of expenditures has, in the past, been made by the auditors, including decision making concerning the federal CFDA number, the pass-through entity number and the amount of federal and state expenditures incurred by the City for the fiscal year. The auditor then reports on the Schedules of Expenditures of Federal and State Financial Assistance and renders his opinion with respect to the compliance with laws, regulations, contracts and grants and with the City's internal control over compliance with requirements of the laws, regulations, contracts and grants.

- Criteria:** The schedules of federal awards and state financial assistance are required to be prepared by the City.
- Cause:** Lack of a staff member assigned to identify and obtain grant revenue and prepare the appropriate federal and state financial schedules.
- Effect:** The auditor is preparing these schedules and auditing them.
- Recommendation:** We recommend that the Finance Department and/or the Board of Education annually prepare the Schedule of Expenditures of Federal Awards and State Financial Assistance to be presented to the auditor for audit. The auditor can then render an opinion with respect to compliance with and internal control over compliance with laws, regulations, contracts and grants. This will provide the proper segregation of responsibilities over the preparation of the schedules and the rendering of an opinion of these schedules.

***18-18 Community Development Agency**

- Finding:** The bookkeeper performs recordkeeping, custodial and approval functions.
- Criteria:** The Community Development Agency should have adequate segregation of duties and responsibilities in order to assure the safeguarding of assets and the proper preparation of financial statements.
- Cause:** The Community Development Agency (Agency) does not have adequate segregation of duties and responsibilities in order to assure the safeguarding of assets and the proper preparation of financial statements. Certain functions, such as receipt and listing of checks, preparation and review of bank reconciliations, approval of purchase orders and invoices and signing and distribution of checks, to provide the necessary checks and balances of the Agency's internal control, are performed by the same individual. This lack of segregation of duties results in inadequate financial control over the operation of the Agency. Additionally, certain administrative expenses (wages, payroll taxes etc.) and the corresponding appropriation (revenue), paid by the City of Derby's General Fund, are not being timely recorded on the books of the Agency.
- Effect:** Lack of segregation of duties may lead to errors, or improprieties could occur and go undetected.
- Recommendation:** We recommend that the City consider assigning additional personnel, independent of the

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

accounting function, to duties such as, receipt and listing of checks, preparation and review of bank reconciliations, approval of purchase orders and invoices and signing and distribution of checks to provide the necessary checks and balances of the Agency's internal control. Consideration should also be given to utilizing the cash receipts procedure and the purchase order and cash disbursement process of the General Fund of the City of Derby to compensate for the lack of personnel and segregation of duties in this Agency. Additionally, procedures should be established to timely allocate and record certain administrative expenses on the books and records of the Agency to specific funds received for Community Development and various grant purposes.

* indicates that these findings are repeated from the previous year.

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

II. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Findings and questioned costs relating to federal financial assistance programs are as follows:

***18-17 Federal and State Single Audit Schedules**

Finding: The Finance Department did not prepare a schedule of expenditures of federal awards and state financial assistance for the year ended June 30, 2018. These schedules are derived from federal and state grant awards received by the General Government and the Board of Education of the City. The Board of Education grant awards primarily are passed through the State Department of Education, while the City receives their grants primarily through the State Department of Housing and Urban Development, the State Department of Health and Human Resources, the State Department of Agriculture and the Office of Policy and Management. The preparation of these schedules of expenditures has, in the past, been made by the auditors, including decision making concerning the federal CFDA number, the pass-through entity number and the amount of federal and state expenditures incurred by the City for the fiscal year. The auditor then reports on the Schedules of Expenditures of Federal and State Financial Assistance and renders his opinion with respect to the compliance with laws, regulations, contracts and grants and with the City's internal control over compliance with requirements of the laws, regulations, contracts and grants.

Criteria: The schedules of federal awards and state financial assistance are required to be prepared by the City.

Cause: Lack of a staff member assigned to identify and obtain grant revenue and prepare the appropriate federal and state financial schedules.

Effect: The auditor is preparing these schedules and auditing them.

Recommendation: We recommend that the Finance Department and/or the Board of Education annually prepare the Schedule of Expenditures of Federal Awards and State Financial Assistance to be presented to the auditor for audit. The auditor can then render an opinion with respect to compliance with and internal control over compliance with laws, regulations, contracts and grants. This will provide the proper segregation of responsibilities over the preparation of the schedules and the rendering of an opinion of these schedules.

***18-18 Community Development Agency**

Finding: The bookkeeper performs recordkeeping, custodial and approval functions.

Criteria: The Community Development Agency should have adequate segregation of duties and responsibilities in order to assure the safeguarding of assets and the proper preparation of financial statements.

Cause: The Community Development Agency (Agency) does not have adequate segregation of duties and responsibilities in order to assure the safeguarding of assets and the proper

**CITY OF DERBY, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

preparation of financial statements. Certain functions, such as receipt and listing of checks, preparation and review of bank reconciliations, approval of purchase orders and invoices and signing and distribution of checks, to provide the necessary checks and balances of the Agency's internal control, are performed by the same individual. This lack of segregation of duties results in inadequate financial control over the operation of the Agency. Additionally, certain administrative expenses (wages, payroll taxes etc.) and the corresponding appropriation (revenue), paid by the City of Derby's General Fund, are not being timely recorded on the books of the Agency.

Effect: Lack of segregation of duties may lead to errors, or improprieties could occur and go undetected.

Recommendation: We recommend that the City consider assigning additional personnel, independent of the accounting function, to duties such as, receipt and listing of checks, preparation and review of bank reconciliations, approval of purchase orders and invoices and signing and distribution of checks to provide the necessary checks and balances of the Agency's internal control. Consideration should also be given to utilizing the cash receipts procedure and the purchase order and cash disbursement process of the General Fund of the City of Derby to compensate for the lack of personnel and segregation of duties in this Agency. Additionally, procedures should be established to timely allocate and record certain administrative expenses on the books and records of the Agency to specific funds received for Community Development and various grant purposes.

* indicates that these findings are repeated from the previous year.

**CITY OF DERBY, CONNECTICUT
DISPOSITION OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

***17-1 Double-Entry Accounting System**

Finding: The City does not use double-entry accounting for all funds.

Disposition: This finding is repeated in the current year's findings as 18-1.

***17-2 Encumbrance System**

Finding: The City departments are not fully utilizing the encumbrance system.

Disposition: This finding is repeated in the current year's findings as 18-9.

***17-3 Special Assessments/Collection Efforts**

Finding: Special Assessments are not actively collected.

Disposition: This finding is repeated in the current year's findings as 18-10.

***17-4 Interfund Transfers**

Finding: Interfund balances are not repaid timely.

Disposition: This finding is repeated in the current year's findings as 18-11.

***17-5 Compensated Absences**

Finding: There is no formal reconciliation of compensated absences.

Disposition: This finding is repeated in the current year's findings as 18-12.

***17-6 Parking Authority**

Finding: Parking ticket revenues are not recorded on an accrual basis.

Disposition: This finding is repeated in the current year's findings as 18-13.

**CITY OF DERBY, CONNECTICUT
DISPOSITION OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

***17-7 Bank Reconciliation Approval**

Finding: Bank reconciliations are not formally approved after the reconciliation is performed.

Disposition: This finding is repeated in the current year's findings as 18-2.

***17-8 Availability of financial information**

Finding: During the audit process, information related to numerous audit areas was unavailable in a timely manner.

Disposition: This finding is repeated in the current year's findings as 18-3.

17-9 WPCA Purchase Order Approval Process

Finding: The bookkeeper performed recordkeeping, custodial and approval functions.

Disposition: This finding is repeated in the current year's findings as 18-4.

***17-10 Revenues Classification**

Finding: Revenues were not properly recorded in their respective general ledger accounts.

Disposition: This finding is repeated in the current year's findings as 18-14.

***17-11 Cash Account Activity- Board of Education and Self Insurance Accounts**

Finding: Various cash accounts had activity that was found not to be recorded or recorded in net amounts.

Disposition: This finding is repeated in the current year's findings as 18-7.

***17-12 Accounts Receivable Cut-off**

Finding: Accounts and Grants Receivable were not recorded at year end.

Disposition: This finding is repeated in the current year's findings as 18-15.

**CITY OF DERBY, CONNECTICUT
DISPOSITION OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

***17-13 Accounts Payable Cut-off**

Finding: The City's accounts payable were not properly recorded at year end.

Disposition: This finding is repeated in the current year's findings as 18-5.

***17-14 Federal and State Single Audit Schedules**

Finding: The Finance Department did not prepare a schedule of expenditures of federal awards and state financial assistance for the year ended June 30, 2018. These schedules are derived from federal and state grant awards received by the General Government and the Board of Education of the City. The Board of Education grant awards primarily are passed through the State Department of Education, while the City receives their grants primarily through the State Department of Housing and Urban Development, the State Department of Health and Human Resources, the State Department of Agriculture and the Office of Policy and Management. The preparation of these schedules of expenditures has, in the past, been made by the auditors, including decision making concerning the federal CFDA number, the pass-through entity number and the amount of federal and state expenditures incurred by the City for the fiscal year. The auditor then reports on the Schedules of Expenditures of Federal and State Financial Assistance and renders his opinion with respect to the compliance with laws, regulations, contracts and grants and with the City's internal control over compliance with requirements of the laws, regulations, contracts and grants.

Disposition: This finding is repeated in the current year's findings as 18-17.

***17-15 Community Development Agency**

Finding: The bookkeeper performs recordkeeping, custodial and approval functions.

Disposition: This finding is repeated in the current year's findings as 18-18.

* indicates that these findings are repeated from the previous year.

