



# City of Beaumont

**Beaumont, California**

## **Single Audit Report on Federal Awards**

*For the Year Ended June 30, 2020*



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

**City of Beaumont**

**Single Audit Report on Federal Awards  
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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**

**PARTNERS**

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Leena Shanbhag, CPA, MST, CGMA  
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*Independent Auditor's Report*

To the Honorable City Council  
City of Beaumont  
Beaumont, California

**MANAGERS / STAFF**

Charles De Simoni, CPA  
Gardenya Duran, CPA  
Brianna Schultz, CPA  
Jingjie Wu, CPA  
Evelyn Morentin-Barcena, CPA  
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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 statements of the governmental activities, the business-type activities, the aggregate remaining fund information and each major fund of the City of Beaumont (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 4, 2021.

***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) to determine the 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Cost, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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California Society of  
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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. We identified deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001, 2020-002, 2020-003, 2020-004, and 2020-005, that we consider to be significant deficiencies.

### ***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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***City's Responses to Findings***

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The City's responses were not subjected to the 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.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 4, 2021



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## 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*

#### **PARTNERS**

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To the Honorable City Council  
City of Beaumont  
Beaumont, California

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Beaumont's (the City's) compliance with the types of compliance requirements described 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 June 30, 2020. 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.

#### **MANAGERS / STAFF**

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### ***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 each of the City's major federal programs 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 (CFR) 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 City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

Management of the City 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 City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 City'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 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.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

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 June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 4, 2021 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 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 to 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.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
April 19, 2021

City of Beaumont

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2020

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Program Identification Number	Federal Expenditures	Amount provided to subrecipients
<b><u>U.S. Department of Housing and Urban Development</u></b>				
<i>Passed through Riverside County Economic Development Agency</i>				
CDBG- Entitlement Grants Cluster:				
Community Development Block Grant	14.218	5.BEA-44-20	\$ 205,230	\$ -
Total CFDA 14.218 and CDBG Entitlement Grants Cluster			<u>205,230</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>205,230</u>	<u>-</u>
<b><u>U.S. Department of Justice</u></b>				
<i>Direct Award</i>				
Equitable Sharing Funds (Federal Asset Seizure)	16.922	5.BEA-40-19	200,000	-
Total CFDA 16.922			<u>200,000</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<u>200,000</u>	<u>-</u>
<b><u>U.S. Department of Transportation</u></b>				
<i>Passed through State of California Department of Transportation</i>				
Highway Planning and Construction Cluster:				
Potrero Interchange Project	20.205	DEM 10L-5209(008)	3,417,739	-
Total CFDA 20.205 and Highway Planning and Construction Cluster			<u>3,417,739</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<u>3,417,739</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 3,822,969</u>	<u>\$ -</u>

See accompanying notes to the schedule of expenditures of federal awards.



## City of Beaumont

### Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

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#### **Note 1: Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards**

##### *Scope of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal activity of the City of Beaumont, California (City) under programs of the federal government for the year ended June 30, 2020. The information on this Schedule is prepared 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 Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows, where applicable, of the City.

##### *Basis of Accounting*

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting, which is defined in Note 1 to the City's basic financial statements. 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. Expenditures reported include any property or equipment acquisitions incurred under the federal programs.

#### **Note 2: De Minimis Indirect Cost Rate**

The City has elected not to use 10-percent de minimis indirect cost rate allowed under the Uniform Guidance, as there were no indirect costs charged to the City's grant programs.

# City of Beaumont

## Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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### SECTION I: SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified?	<u>  X  </u>	Yes	_____	None Reported
Noncompliance material to financial statements noted?	_____	Yes	<u>  X  </u>	No

#### Federal Awards

Internal control over major programs:

Material weakness identified?	_____	Yes	<u>  X  </u>	No
Significant deficiencies identified?	_____	Yes	<u>  X  </u>	None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	_____	Yes	<u>  X  </u>	No
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Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Programs or Cluster</u>
20.205	Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee?	_____	Yes	<u>  X  </u>	No
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## City of Beaumont

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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#### Section II: Financial Statement Findings

##### Finding 2020-001 - Cash Disbursements Process – Segregation of Duties

###### Criteria

Adequate segregation of duties between vendors' approvals, addition of authorized vendors into the payable system, and maintenance of vendors' accounts and files is a very important factor because the responsibilities for purchasing, receiving, recording into the accounting system, and disbursement should be separated as much as possible to create the best system of controls.

###### Condition and Context

During our audit, we noted that the Senior Accountant approves vendor changes and also has access to change vendor information. Upon further review, we identified that several other employees in the finance department also have access to change vendor information.

###### Effect

The lack of segregation of duties related to vendor files maintenance and cash disbursements processes could result in erroneous, fictitious, and/or fraudulent vendor payments.

###### Recommendation

We recommend that the Finance Department segregates the responsibilities for approving vendors and adding/editing vendors information into the system and perform a regular risk assessments review to identify where segregation of duties issues need to be corrected.

###### Management Response to Finding

The City concurs with this finding and has initiated corrective action. Effective December 1, 2020, the budget specialist position, which is not part of the payable process, will complete the entry of new vendors and have access to modify vendor records. The senior accountant over accounts payable will complete the review and approval of new vendors but will not have access to add or modify vendor records in the accounting system.

Staff directly involved in payment transactions will no longer have access to add or modify vendor records.

Additionally, audit logs that identify any changes in vendor records, including identifying the individual that made the change will be reviewed monthly to identify the changes in vendors and to verify the staff member who made the change.

## City of Beaumont

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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#### Section II: Financial Statement Findings (continued)

##### Finding 2020-002 - Payroll Process – Segregation of Duties

###### Criteria

A strong payroll internal control system can generally be implemented to cover potential threats of error and misappropriation with a reasonable effort. Payroll controls should include the following:

- Comparison of actuals to budget information and the review of any unexpected variances;
- Close review and supervision of reports prepared for filing with federal and state taxing authorities; and
- Separation of the payroll functions of employment, timekeeping, payroll preparation, and record-keeping;
- Review of change reports for each payroll period by personnel outside the payroll function with verification of changes.

###### Condition and Context

During our audit, we noted that the Administrative Services Manager processes payroll and has access to change employees' data including pay rates.

###### Effect

The lack of segregation of duties between payroll processes and human resources related functions could result in fictitious employees, or unapproved personnel rate changes.

###### Recommendation

We recommend that the Finance Department segregates the payroll processing function from the employee data changes function and to perform regular risk assessments reviews to identify where segregation of duties issues need to be addressed in the payroll process.

###### Management Response to Finding

The control procedure used by the City to process any changes in employee pay requires approval by the Director of Administration. That change is only prompted by a conditional job offer, satisfactory performance evaluation or an MOU contract obligation. That change is documented on an employee payroll change notice. These forms are submitted as part of the bi-weekly payroll packet that is reviewed by a senior accountant in the Finance Department. An audit report feature within the Paychex system named Employee Change Report is also submitted as part of the bi-weekly payroll packet, and is used to ensure all changes have the appropriate documentation attached.

## City of Beaumont

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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#### Section II: Financial Statement Findings (continued)

##### Finding 2020-002 - Payroll Process – Segregation of Duties (continued)

###### Management Response to Finding (continued)

Effective October 20, 2020, the employee payroll change notice will be signed by the Director of Administration. In the absence of the Director of Administration, the Director of Finance will approve any changes. These approval forms will be submitted as part of the bi-weekly payroll packet that is reviewed by a senior accountant in the Finance Department prior to submittal. While the senior accountant initialed the employee payroll change form in the past, a signature line was added for ease of identification. The Administrative Services Manager has also begun to attach the back page of the employee evaluation, conditional job offer, MOU page or an email directing the pay rate change.

An audit feature is available within the Paychex system currently utilized by the City. The audit feature allows for a report of all pay changes processed within defined time periods. This audit report will be reviewed quarterly by the Finance Department to determine if all pay changes have the required approvals.

##### Finding 2020-003 - Payroll Process – Personnel Action Forms

###### Criteria

A strong payroll internal control system can generally be implemented to cover potential threats of error and misappropriation with a reasonable effort. Payroll controls should include the following:

- Comparison of actuals to budget information and the review of any unexpected variances;
- Close review and supervision of reports prepared for filing with federal and state taxing authorities; and
- Separation of the payroll functions of employment, timekeeping, payroll preparation, and record-keeping;
- Review of change reports for each payroll period by personnel outside the payroll function with verification of changes.

###### Condition and Context

During our audit, we noted that several personnel action forms were not approved by the employee or appropriate supervising personnel.

###### Effect

Changes to personnel records such as wages increases, promotions, status changes, etc., need to be documented in a Personnel Action Form with formal acknowledgment by the employee and a supervisory personnel as well. Failure to formally document the changes substantially increases the risk of unauthorized changes in payroll data such as pay rates, hours worked, etc., which significantly weakens internal control.

## City of Beaumont

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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#### Section II: Financial Statement Findings (continued)

##### Finding 2020-003 - Payroll Process – Personnel Action Forms (continued)

###### Recommendation

We recommend that the Finance Department have all personnel action forms signed by the affected employee and by a supervisory personnel as well; and to perform regular risk assessments reviews to identify where lacks of internal controls issues in the payroll process need to be addressed.

###### Management Response to Finding

Management concurs that employee payroll change forms have not been signed by employees and supervisors. Effective October 20, 2020, all employee change forms will be required to be signed by the employee and a supervisory position.

As noted in the finding above, these documents are only completed in conjunction with a conditional job offer, satisfactory performance evaluation or an MOU contract obligation. The copy of the form is routed to the employee for their record. The form is included as part of the bi-weekly payroll file and reviewed by a senior accountant in the Finance Department.

Management notes that mitigating controls have been in existence, in that while employee payroll change forms have not been signed by employees and supervisors, employee pay modifications generally occur at an anniversary date and an evaluation that is signed by the employee and supervisor usually precedes any modification in pay. In those instances where an evaluation is not completed, the personnel policies of the City provide that an employee is entitled to a merit increase. As a result, increases in pay are driven by policies and procedures of the City and can be tied to the employee's anniversary date.

##### Finding 2020-004 - Segregation of Duties for Business License Process

###### Condition:

During our audit, lack of segregation of duties was noted in the City's Business Licenses process. The permit technician, who accepts payments for business licenses, has the ability to issue and distribute business licenses. There is no independent reconciliation of the business licenses issued from the HdL system with the amounts collected and posted in the Incode cash receipts system.

This finding was previously reported in 2019 as finding 2019-001 and in 2018 as finding 2018-005 - Segregation of Duties for Business Licenses Process.

###### Criteria:

The same individual should not have access to the payments from customers and the ability to issue business licenses unless an appropriate mitigating control has been implemented.

## City of Beaumont

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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#### Section II: Financial Statement Findings (continued)

##### Finding 2020-004 - Segregation of Duties for Business License Process (continued)

###### Cause:

The City does not perform an independent reconciliation for business licenses between the HdL system and the Incode cash receipts system due to system reporting limitations within Incode that were not evident prior to purchasing the system.

###### Effect:

Business licenses could be issued without a corresponding cash receipt being recorded in the City's general ledger and ultimately deposited into the City's bank account.

###### Recommendation:

We recommend the City implement a procedure to generate reports from the HdL business license program, periodically (i.e. daily, weekly, monthly), and have someone independent of the business license issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger. In addition, the permit and fees process should be integrated into the accounting software to limit the number of manual entries posted to the general ledger system.

###### Management's Response:

Reports of transactional activity will be generated from the HdL business license system that details business license collection activity. An Accounting Technician in the Finance Division will compare these reports to the deposits submitted to the Finance Department and entered into the City's general ledger. This reconciliation will be completed weekly. Any discrepancies will be brought to the attention of the Administrative Services Manager for resolution. Effective February 1, 2021, the Finance Department will complete a reconciliation of funds collected from business license activity to the license activity in the HDL system.

##### Finding 2020-005 - Overhead Cost Allocation

###### Condition:

The City allocates certain General Fund costs (administration, maintenance, etc.) to the Sewer Enterprise, Gas Tax, Transit Enterprise, and the Community Facilities District (CPD) Fund. The amounts are based on calculations included in schedules maintained by the Finance Department. Currently, the City is not allocating and recovering any of its indirect costs to federal (or state) grants. While the City completed a cost allocation study in April 2016 and has implemented the cost allocation of administrative costs to the various funds within the City, the City has not had a formal Cost Allocation Plan performed for charging of its costs to federally funded projects.

This finding was previously reported in 2019 as finding 2019-002 and in 2018 as finding 2018-007 – Overhead Cost Allocation.

###### Criteria:

Cost allocation plan methodologies should be thoroughly documented for transparency purposes, and updates to the plans should be done periodically in accordance with best practices.

## City of Beaumont

### Schedule of Findings and Questioned Costs Year Ended June 30, 2020

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#### Section II: Financial Statement Findings (continued)

##### Finding 2020-005 - Overhead Cost Allocation (continued)

###### Cause:

The City does not have a formal cost allocation plan to allocate internal costs, and the plan developed internally is not sufficient to claim indirect costs against federal (and state) grant programs.

###### Effect:

The City could potentially be utilizing allocation methods which result in either less administrative costs or excessive administrative costs being allocated than would be allowable if detailed cost allocation studies were performed on a periodic basis, and in accordance with federal grant requirements. Costs that could be reimbursable from other than local sources may be able to be claimed if adequately supported. For federal awards, the City may elect to use the 10 percent of Modified Total Direct Cost (MTDC) de Minimis indirect rate to recover indirect costs as part of the City's federal grant budgets. If the City elects to use the 10 percent de Minimis rate, the Uniform Guidance requires that the City use Modified Total Direct Costs as the cost base. MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each sub award (regardless of the period of performance of the sub awards under the award).

###### Recommendation:

We recommend the City perform a full cost allocation study of administrative costs to ensure the detailed methodology for the allocation of administrative costs is reasonable and appropriate, based on the current circumstances, and that the methodology is clearly defined and documented. A plan should be prepared in accordance with the Uniform Guidance in the event the City wishes to allocate and claim the indirect costs against federal (and state) grant programs. Due to the complexity involved in developing a well-supported and reasonable indirect cost plan, the City should evaluate the cost of outsourcing this study as opposed to the use of internal staff time.

###### Management's Response:

While the City completed a cost allocation study in April 2016 and has implemented the cost allocation of administrative costs to the various funds within the City, further work is necessary to fully comply with this recommendation. The City has not yet completed the cost allocation for indirect costs to federal and state grant programs. Management intends to re-evaluate its cost allocation strategy and hire an external professional to assist the City in completing the cost allocation process. There has been no progress on this finding since the last audit.

#### Section III: Federal Awards Findings and Questioned Costs

No current year findings and questioned cost noted.



**City of Beaumont**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2020**

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**Status of Prior Year Findings:**

**Financial Statement Findings**

**Finding 2019-001 - Segregation of Duties for Business Licenses Process**

Status:

Finding has not been corrected. Reported as Finding 2020-004 for the current year.

**Finding 2019-002 - Overhead Cost Allocation**

Status:

Finding has not been corrected. Reported as Finding 2020-005 for the current year.

**Finding 2019-003 - Unauthorized Wire Transfers**

Status:

Corrected.

**Federal Awards Findings and Questioned Costs**

No prior year findings.