

CITY OF HOMEWOOD, ALABAMA

Single Audit Report

September 30, 2023

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**INDEPENDENT AUDITORS' 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***

To the Mayor and City Council
The City of Homewood, Alabama
Homewood, Alabama

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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Homewood, Alabama (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 31, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic 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 was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 to be material weaknesses.

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 consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-005, 2023-006, 2023-007, 2023-008, and 2023-009.

City of Homewood, Alabama's Response to Findings

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

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.

BMSS, LLC

Birmingham, Alabama
October 31, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Mayor and City Council
The City of Homewood, Alabama
Homewood, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Homewood, Alabama's (the 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, 2023. The City's major federal programs are identified in the summary of auditors' 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 major federal programs for the year ended September 30, 2023.

Basis of 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* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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 the 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.

Auditors' Responsibilities 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 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 2023-007, 2023-008, and 2023-009. 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 of Homewood, Alabama's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City of Homewood, Alabama's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be 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 2023-007, 2023-008, and 2023-009 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 is also responsible for preparing the corrective action plan to address each audit finding included in our auditors' report. The City's responses and corrective action plan were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses or the corrective action plan.

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, each major fund, and the aggregate remaining fund information of the City of Homewood, Alabama, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 31, 2024, 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 GAAS. 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.

BMSS, LLC

Birmingham, Alabama
October 31, 2024

CITY OF HOMEWOOD, ALABAMA
Schedule of Expenditures of Federal Awards
For the year ended September 30, 2023

Federal Grantor/Pass-Through Agency/Program Title	Assistance Listing Number	Grant, Contract, or Pass-Through Number	Federal Expenditures
U.S. Department of the Interior			
Pass-through the Alabama Historical Commission Historic Preservation Fund Grants-In-Aid	15.904		\$ 6,157
Total U.S. Department of the Interior			6,157
U.S. Department of Transportation			
Pass-through the Alabama Department of Transportation Highway Safety Cluster			
State and Community Highway Safety	20.600	CMAQ-TA15(903)	734,643
Total Highway Safety Cluster			734,643
Recreational Trails Program	20.219	CMAQ-9082(911)	279,169
Total U.S. Department of Transportation			1,013,812
U.S. Department of Treasury			
Pass-through the Alabama Department of Treasury Coronavirus State and Local Fiscal Recovery Fund - COVID-19	21.027		2,433,575
Total U.S. Department of Treasury			2,433,575
Institute of Museum and Library Services			
Pass-through the Alabama Public Library Service Grants to States-Library Services and Technology Act	45.310		10,000
Total Institute of Museum and Library Services			10,000
U.S. Department of Homeland Security			
Direct Program			
Staffing for Adequate Fire and Emergency Response	97.083		69,122
Total U.S. Department of Homeland Security			69,122
Total Expenditures of Federal Awards			\$ 3,532,666

See notes to schedule of expenditures of federal awards.

CITY OF HOMEWOOD, ALABAMA
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Homewood, Alabama (the City) under programs of the federal government for the year ended September 30, 2023. The information in this 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). 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 assets, or cash flows of the City.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

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

CITY OF HOMEWOOD, ALABAMA
Schedule of Findings and Questioned Costs
September 30, 2023

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the City of Homewood, Alabama, were prepared in accordance with GAAP.
2. Material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.
3. A significant deficiency in internal control over financial reporting was disclosed during the audit of the financial statements.
4. Significant deficiencies in internal control over major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the City of Homewood, Alabama, expresses an unmodified opinion on the major federal program.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in the Schedule.
7. The programs tested as a major program included the Recreational Trails Program (Assistance Listing number 20.219) and the Coronavirus State and Local Fiscal Recovery Fund (Assistance Listing number 21.027).
8. The threshold for distinguishing between Type A and B programs was \$750,000.
9. The City of Homewood, Alabama does not qualify as a low-risk auditee.

FINANCIAL STATEMENT FINDINGS

Finding 2023-001 - Lack of Control over Wire Transfers

Criteria: Management should monitor, review and approve all wire transfers initiated by individuals and vouch amounts posted to the general ledger to ensure accuracy.

Condition: During the audit, we noted that the City Finance Director is able to wire any amount of funds from the City's bank account without authorization. If the bank calls to verify a bank transfer, the bank contacts only the City Finance Director for authorization and approval.

CITY OF HOMEWOOD, ALABAMA
Schedule of Findings and Questioned Costs
September 30, 2023
(Continued)

Cause and effect:	Controls that do not involve at least two people increase the risk of fraud or error due to lack of adequate segregation of duties. Unauthorized wire transfers can be made and not timely caught by management.
Recommendation:	We recommend that the City implement a procedure whereby the bank confirms all wire transfer transactions with another individual within the City other than the party initiating the transfer.
View of responsible official:	The City and management agree with this deficiency in internal controls. The City plans to include two parties for all wire transfers.

Finding 2023-002 - Lack of Control over Master Vendor List

Criteria:	The use of a master vendor file improves internal control by limiting opportunities for employee and vendor fraud and preventing duplicate payments to vendors with multiple locations.
Condition:	During the audit, we noted a lack of control over the City's master vendor file.
Cause and effect:	Due to lack of review and approval of vendors, unauthorized payments can be made to vendors not approved or established in the master vendor list.
Recommendation:	We recommend that a master vendor file be established and periodically reviewed. In addition, any additions of vendors should be approved by members of management other than the person setting up the vendor.
View of responsible official:	The City and management agree with this deficiency in internal controls. The City plans to implement policies for the approval of vendors and periodic review of the master vendor file.

Finding 2023-003 - Lack of Adequate Supporting Documentation for Credit Card Purchases

Criteria:	All purchases for the City should have proper backup and authorization, including those purchased using City issued credit cards.
Condition:	During the audit, we noted that there was a lack of adequate support of documentation for credit card purchases.

CITY OF HOMEWOOD, ALABAMA
Schedule of Findings and Questioned Costs
September 30, 2023
(Continued)

Cause and effect:	Lack of supporting documentation for purchases made with credit cards can cause the City to erroneously pay amounts not authorized or errors in reporting transactions in the financial records.
Recommendation:	We recommend the City adopt a policy for credit card usage, outlining the required authorization and documentation guidelines for purchases.
View of responsible official:	The City and management agree with this deficiency in internal controls. The City plans to implement policies for anyone using City issued credit cards.

Finding 2023-004 - Failure to timely remit Construction Industry Craft Training (CICT) fee payments to the State of Alabama

Criteria:	Amounts collected for CICT fees should be timely reconciled to City records and reported and remitted to the state.
Condition:	During the audit, we noted that the City did not have processes in place to ensure timely remittance of reports and amounts collected for the CICT fee to the State of Alabama. The report and corresponding remittance of fees should be made to the Alabama Division of Construction Management by the 20 th day of the month following issuance of permits.
Cause and effect:	Lack of processes for timely reconciliation and remittance of CICT fees can cause delays in remitting monthly reports and fees to the Alabama Division of Construction Management.
Recommendation:	We recommend that the City implements processes to ensure timely filing of reports and remittance of CICT fees.
View of responsible officials:	The City and management agree with this deficiency in internal controls. The City plans to implement processes to address the timely filing of CICT reports and fees.

CITY OF HOMEWOOD, ALABAMA
Schedule of Findings and Questioned Costs
September 30, 2023
(Continued)

Finding 2023-005 – Transfers in excess of budgeted amounts

Criteria:	To ensure compliance with the City's budget, all interfund transfers should be approved by the City Council and should be reflected in the City's amended budget.
Condition:	During the audit, we noted that operating transfers from City's General Fund were in excess of Council final approved budget amounts.
Cause and effect:	Lack of processes for timely approval of transfers and amendments of the budget can cause budget non-compliance, as the City can transfer monies in excess of amounts approved by the City Council.
Recommendation:	We recommend that the City implements processes to ensure timely approvals of interfund transfers and amend the budget accordingly.
View of responsible officials:	The City and management agree with this finding. The City plans to implement processes to address timely budget amendments to be submitted to the Council for approval.

Finding 2023-006 – Investment noncompliance

Criteria:	All investments of the City should be in compliance with laws and regulations, including those as dictated by the State Code of Alabama Section 11-81-19.
Condition:	During the audit, we noted that the City had investments that were not in compliance with the State Code of Alabama Section 11-81-19.
Cause and effect:	Lack of communication of compliance requirements with external investment advisors and lack of ongoing monitoring and reviewing types of investments held by the City can lead to noncompliance with investment laws and regulations.
Recommendation:	We recommend that the City implements processes to review types of investments held by the City on an ongoing basis to ensure compliance with laws and regulations.
View of responsible officials:	The City and management agree with this finding. The City plans to review its investments policy and investments held to ensure compliance with investment laws and regulations.

CITY OF HOMEWOOD, ALABAMA
Schedule of Findings and Questioned Costs
September 30, 2023
(Continued)

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2023-007

Assistance Listing No. and Program Title:	All
Name of Federal Awarding Agency:	All
Pass-Through Entity:	All
Federal Award Year:	All

Criteria:	The requirements of Title 2 U.S. <i>Code of Federal Regulations</i> Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance), requires the City of Homewood, Alabama to submit its Single Audit Reporting Package to the federal audit clearinghouse no later than nine months after fiscal year end.
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Condition:	The federal reporting deadline for the City of Homewood, Alabama's Single Audit Reporting Package for the year ended September 30, 2023 was June 30, 2024; however, the City did not issue its Single Audit until after that date.
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Cause and effect:	The late completion of the City of Homewood, Alabama's single audit is due to the delays in obtaining information necessary to perform testing, which extended the completion date of the single audit and resulted in the late submission of the City's Single Audit Reporting Package. The late submission of the Single Audit Reporting Package shows a significant deficiency in the City of Homewood, Alabama's internal control.
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Recommendation:	The City of Homewood, Alabama should strive to submit its Single Audit Reporting Package to the federal audit clearinghouse no later than nine months after its fiscal year end.
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View of responsible officials:	The City of Homewood, Alabama will strive to submit its Single Audit Reporting Package to the federal audit clearinghouse no later than nine months after the fiscal year end for all future funds received from the federal government.
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CITY OF HOMEWOOD, ALABAMA
Schedule of Findings and Questioned Costs
September 30, 2023
(Continued)

Finding 2023-008

Assistance Listing No. and Program Title: All
Name of Federal Awarding Agency: All
Pass-Through Entity: All
Federal Award Year: All

Criteria: The requirements of Title 2 U.S. *Code of Federal Regulations* Part 180, *OMB Guidelines to Agencies on Government-Wide Debarment and Suspension* state that when you enter into a covered transaction with another person or entity, you must verify that the person or entity with whom you intend to do business is not excluded or disqualified.

Condition: The City of Homewood, Alabama did not have adequate controls in place to ensure that person or entities were not suspended or debarred.

Cause and effect: The City of Homewood, Alabama lacks the policies and procedures concerning the process of determining if a person or entity is suspended or debarred. The lack of such policies and procedures for suspension and debarment could result in contracts with suspended or debarred vendors.

Recommendation: The City of Homewood, Alabama should adopt policies and procedures and improve controls necessary to ensure there is evidence of review of suspended or debarred vendors is included with bid-contract documents.

View of responsible officials: The City of Homewood, Alabama has plans to revise its policies and procedures for federal award programs to include procedures related to suspension and debarment.

Finding 2023-009

Assistance Listing No. and Program Title: 21.027: Coronavirus State and Local Fiscal Recovery Fund – COVID-19
Name of Federal Awarding Agency: U.S. Department of Treasury
Pass-Through Entity: Alabama Department of Treasury
Federal Award Year: 2021 – deferred to current year

CITY OF HOMEWOOD, ALABAMA
Schedule of Findings and Questioned Costs
September 30, 2023
(Continued)

Criteria:	The Compliance and Reporting Guidance for the Coronavirus State and Local Fiscal Recovery Funds, all recipients are required to submit Project and Expenditure Reports. The City of Homewood is considered a non-entitlement unit and is therefore required to submit reports on an annual basis and must be submitted to the Department of Treasury by April 30 th of each year.
Condition:	The City of Homewood, Alabama did not submit their Project and Expenditure Report that was due on April 30, 2023.
Cause and effect:	The late submission of the Project and Expenditure Report is due to turnover at the City of Homewood, Alabama; as well as the fact that adequate internal controls were not established to make sure this report was filed on time. The late submission of the Project and Expenditures Report shows a significant deficiency in the City of Homewood, Alabama's internal control structure.
Recommendation:	The City of Homewood, Alabama should strive to submit their Project and Expenditure Report annually by the due date of April 30 th each year.
View of Responsible Officials:	The City of Homewood, Alabama is in the process of submitting their Project and Expenditure Report to the Department of Treasury that was due on April 30, 2023.

CITY OF HOMEWOOD, ALABAMA
Management's Views and Corrective Action Plan
September 30, 2023

October 31, 2024

The City of Homewood, Alabama respectfully submits the following corrective action plan for the year ended September 30, 2023.

Name and address of independent public accounting firm:

BMSS, LLC

1121 Riverchase Office Road

Birmingham, Alabama 35244

Single Audit Period: September 30, 2023

The finding from the September 30, 2023, schedule of findings and questioned costs is discussed below. The finding is numbered consistently with the number assigned to the schedule.

Financial Statement Findings

Finding 2023-001

The City of Homewood, Alabama is in the process of implementing procedures to ensure that all wire transfers are properly authorized and approved by more than one individual.

Finding 2023-002

The City of Homewood, Alabama is in the process of implementing procedures to ensure that all vendors are properly approved and a master vendor file is established periodically reviewed by management.

Finding 2023-003

The City of Homewood, Alabama is in the process of implementing policies to ensure that purchases made with City issued credit cards have appropriate backup and are properly authorized and approved.

Finding 2023-004

The City of Homewood, Alabama is in the process of implementing procedures to ensure that amounts collected for the Construction Industry Craft Training fee are reported and remitted to the Alabama Department of Construction Management by the 20th day of each month following the issuance of permits.

Finding 2023-005

The City of Homewood, Alabama is in the process of implementing procedures to ensure that it complies with budgetary policies and that all interfund transfers are timely approved and the budget amended accordingly.

Finding 2023-006

The City of Homewood, Alabama is in the process of reviewing its investment policy and investments held by the City to ensure compliance with laws and regulations.

CITY OF HOMEWOOD, ALABAMA
Management's Views and Corrective Action Plan
September 30, 2023

Federal Awards Findings

Finding 2023-007

The City of Homewood, Alabama will strive to submit its Single Audit Reporting Package to the federal audit clearinghouse no later than nine months after the fiscal year end for all future funds received from the federal government.

Finding 2023-008

The City of Homewood, Alabama has plans to revise its policies and procedures for federal award programs to include procedures related to suspension and debarment.

Finding 2023-009

The City of Homewood, Alabama is in the process of submitting their Project and Expenditure Report to the Department of Treasury that was due on April 30, 2023.

If there are any questions regarding this plan, please contact the Mayor's office at 205.332.6100.

Sincerely yours,

Patrick McClusky
Mayor
City of Homewood, Alabama

CITY OF HOMEWOOD, ALABAMA
Summary Schedule of Prior Audit Findings
September 30, 2023

FINANCIAL STATEMENT FINDINGS

There are no prior year financial statement findings required to be reported in accordance with *Government Auditing Standards*.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Finding 2022-001

Assistance Listing No. and Program Title:	All
Name of Federal Awarding Agency:	All
Pass-Through Entity:	All
Federal Audit Year:	All

Criteria: 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), requires the City of Homewood, Alabama to submit its Single Audit Reporting Package to the federal audit clearinghouse no later than nine months after fiscal year end.

Statement of Condition

The federal reporting deadline for the City of Homewood, Alabama's Single Audit Reporting Package for the year ended September 30, 2021 was June 30, 2022; however, the City did not issue its Single Audit until after that date.

Recommendation

The City of Homewood, Alabama should strive to submit its Single Audit Reporting Package to the federal audit clearinghouse no later than nine months after its fiscal year end.

Current Status

The Single Audit Reporting Package for the subsequent year was submitted to the federal audit clearinghouse no later than nine months after the fiscal year end.