



2018-08 Citywide Grants Audit

City of Richmond, VA
City Auditor's Office
May 1, 2018



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Highlights

*Audit Report to the Audit Committee,
City Council, and Administration*

Why We Did This Audit

The Office of the City Auditor conducted this audit as part of the FY18 audit plan approved by the Audit Committee. The objective of this audit was to verify compliance with the terms and conditions of the grants and to verify that grants were adequately managed.

We Recommended the:

ECD Deputy Director II should ensure the present discount value is used to calculate the match in order to maximize the credit received by City.

Fire Administration Deputy Chief should ensure that supporting documentation is maintained for grant expenditures. A reconciliation is conducted for the ATL and Four- for-Life grants to identify all expenditures and correct fund balance and report information accordingly to the grantor.

Police Chief needs to implement procedures to ensure that the grant funded enforcement activities are conducted during the required timeframes on the days specified in the grant scope of work and conditions.

DPW Deputy Director of Finance needs to implement monitoring procedures to ensure that bus passes are timely deactivated upon employee separation from the City and contact the grantor about these errors in the Recycling closed grant to see if amendments need to be submitted.

Additional recommendations are also detailed in the report.



EXECUTIVE SUMMARY

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Background

The City of Richmond relies on grant funding to support important programs and services including; homeland security, economic development, social services, public safety, recreation, and infrastructure improvement and maintenance, among others. During FY16 and FY17, Special Revenue Grant Funds totaled approximately \$40.5 million and \$41.5 million, respectively. This audit covered eleven special revenue grants managed by five different departments totaling approximately \$4.2 million.

Economic Community Development

The **Home Investment Partnership Program (HOME)** had adequate controls and procedures in place to manage the grant for compliance. However, there is an opportunity to maximize the reported match amount.

Fire and Emergency Services

For the **Supplemental Emergency Performance Grant** the reporting requirements and deadlines were not met and the match requirement reported was in error, but was corrected during the audit. For the **Aid to Localities and Four-for-Life Grants** improvements are needed to ensure accurate/complete expenditures are reported to the grantor and complete documentation is maintained to support the expenditures.

Justice Services

Community Correction Grant had adequate controls to manage the grant for adherence to the grant's terms/conditions, but exceptions were noted for training requirements and notifying the Courts when staff left City employment.

Police

Four **DMV Selective Enforcement Grants (Alcohol, Speed, Occupant, and Bike/Pedestrian)** were tested. Adequate controls and procedures were in place to manage and ensure adherence to the financial terms and conditions of the grants. We noted exceptions for some terms and conditions of the program(s) and some areas where administrative process improvements were needed to ensure accurate and complete recordkeeping.

Public Works

The City received an **Employee Trip Reduction Grant** in the amount of \$600,000 to provide employees with transportation (Ex. bus passes) to work allowing the reduction of pollutants to the environment. During FY16, there were 899 active bus passes and adequate controls did not exist to ensure the passes were deactivated timely for 56 employees who left city employment. The number of days the cards remained active after employees separated from the City ranged from 22 to 597 days.

DPW received a one-time grant of \$420,000 from the **Recycling Expansion Grant - Curbside Value Partnership** to help the City transition from a bin-based collection program to a cart-based collection program. The grant financial reports were submitted timely, but the reported information was inaccurate and incomplete.

Other Observations

Several expenditures and reimbursement receipts submitted to Finance were not properly posted to the grants. According to departmental staff, they submitted journal entry requests to reclassify expenditures to the grants and pay-in forms to move the reimbursement receipts to the grant but these were not processed.

Management concurred with 19 of 20 recommendations. We appreciate the cooperation received from management and staff while conducting this audit.

BACKGROUND, OBJECTIVES, SCOPE, METHODOLOGY, MANAGEMENT RESPONSIBILITY and INTERNAL CONTROLS

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States. Those Standards require that the auditors plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions based on the audit objectives. The auditors believe that the evidence obtained provides a reasonable basis for their findings and conclusions based on the audit objectives.

BACKGROUND

A grant is a financial assistance mechanism that provides money, property, or both to an eligible entity to carry out an approved project or activity. The City of Richmond relies on grant funding from federal, state, and local sources to support many important programs and services provided to the community. These funds allow the City to extend existing services, introduce new initiatives, gain technological advances, and subsidize programmatic staffing. Grant funds are used throughout the City and impact a variety of efforts including homeland security, economic development, social services, public safety, recreation, and infrastructure improvement and maintenance, among others.

During FY16 and FY17, Special Revenue Grant Funds totaled approximately \$40.5 million and \$41.5 million, respectively. This audit covered eleven special revenue grants totaling approximately \$4.2 million.

OBJECTIVE

The objective of this audit was to verify compliance with the terms and conditions of the grants and to verify that grants were adequately managed.

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SCOPE

Compliance with terms and conditions of the Special Revenue Grants depicted below:

Department	Grant Name	Grant Period	Award Amount
Economic Development	Home Investment Partnership (HOME) Project	July 1, 2015 to June 30, 2016	\$1,082,299
Fire and Emergency Services	Supplemental Emergency Management Performance	October 1, 2015 to July 31, 2016	\$53,350
Fire and Emergency Services	Aid to Localities	July 1, 2015 to June 30, 2016	\$647,233
Fire and Emergency Services	Four-for-Life	March 1, 2015 to February 27, 2016	\$155,526
Justice Services	Community Corrections	July 1, 2015 to June 30, 2016	\$1,118,696
Police	DMV Selective Enforcement - Alcohol	October 1, 2015 to September 30, 2016	\$90,815
Police	DMV Selective Enforcement - Speed	October 1, 2015 to September 30, 2016	\$40,000
Police	DMV Selective Enforcement - Occupant	October 1, 2015 to September 30, 2016	\$7,500
Police	DMV Selective Enforcement -Bike/Pedestrian	October 1, 2015 to September 30, 2016	\$6,500
Public Works	Employee Trip Reduction	February 26, 2014 to September 30, 2016	\$600,000
Public Works	Recycling Expansion	January 1, 2015 to December 31, 2015	\$420,000

METHODOLOGY

Auditors performed the following procedures to complete this audit:

- Interviewed management and staff;
- Reviewed and evaluated relevant policies and procedures, and regulations;
- Reviewed agreements and tested for compliance;
- Traced and agreed grant expenditures and reimbursement receipts in RAPIDS (City's financial system); and
- Performed other tests, as deemed necessary.

MANAGEMENT RESPONSIBILITY

City management is responsible for ensuring resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

INTERNAL CONTROLS

According to the Government Auditing Standards, internal control, in the broadest sense, encompasses the agency's plan, policies, procedures, methods, and processes adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes systems for measuring, reporting, and monitoring program performance. An effective control structure is one that provides reasonable assurance regarding:

- Efficiency and effectiveness of operations;
- Accurate financial reporting; and
- Compliance with laws and regulations.

The City has a decentralized grants management process. City agencies are responsible for acquiring, administering, and closing out grants. Therefore, they are required to comply with the grant requirements related to the operation and fiscal management of the funded programs. Testing results revealed that the internal controls and procedures used to monitor and ensure

compliance varied by department. The controls and procedures in place for each grant reviewed are discussed subsequently in this report. The auditors also noted that improvements are needed within the reviewed departments as well as the City's Finance Department to ensure grant expenditures and receipts are properly posted to the appropriate accounts.

FINDINGS and RECOMMENDATIONS

Economic Community Development Dept. (ECD) – Home Investment Partnership Program (HOME)

Background

The City of Richmond receives funds from the U.S. Department of Housing and Urban Development (HUD) to revitalize targeted neighborhoods. HOME funds are awarded to the City annually to expand the supply of decent, affordable housing to low and extremely low-income households with an emphasis on homeownership. The City was allocated \$1,082,299 for the HOME program for the period of July 1, 2015 to June 30, 2016 to rehabilitate owner occupied homes, construct new homes, and provide down payment assistance.

Internal Controls

Based upon testing results and interviews, the auditors determined that adequate controls and procedures were in place to manage the grant and ensure compliance with grant requirements and regulations. However, there is an opportunity for ECD to maximize the reported match amount.

Grant Requirement	Requirement Met (Yes or No)
Funds were used for allowable expenditures.	Yes
Reimbursement requests were accurately remitted to the grantor.	Yes
Reporting accurately and timely remitted to the grantor.	Yes
City's match requirement was met.	Yes
Program recipient met eligibility requirements.	Yes
Davis Bacon requirements met.	Yes

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File documentation maintained.	Yes
Program income properly accounted for and reported.	Yes
Recaptures obtained for properties sold or transferred during affordability period.	Yes

Recaptures

HOME assistance provided to homebuyers is recaptured if the home does not continue to be the principal residence of the family for the duration of the period of affordability. The period of affordability is determined by the amount of HOME funds used for down payment and closing cost assistance, other homebuyer assistance, and other homebuyer financing as noted in the below table.

Amount of Home Assistance	Affordability Period
< \$15,000	5 years
\$15,000 - \$40,000	10 years
> \$40,000	20 years

During FY16, the City recaptured approximately \$22,577 from six properties that received HOME funds for down payment assistance. The recaptures were incorrectly posted to program income in HUD's Integrated Disbursement Information System (IDIS). Per the IDIS Training Manual, these funds should be recorded as Recapture Homebuyer.

Recommendations:

- 1. The ECD Deputy Director II should develop and implement procedures to ensure that receipts are properly posted in IDIS.***

Match Calculation

The City has a 12.5% match requirement for HOME funds. ECD used the rehabilitation tax credit granted to the properties to satisfy the match. The auditors noted that ECD used the amount the taxpayers will actually pay as the match as opposed to the forgone tax amount. Based upon discussion with a representative from HUD, the City could use the present discount value of the

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amount of the forgiven tax based upon the post improvement property value. The current manner in which ECD staff calculates the match is sufficient to meet the requirement. However, if the match is calculated using the present day value approach, additional funds could be generated for the match and carried forward to future years. The auditors recalculated the match for three properties using the present discount value and noted that it would be more advantageous for the City to use the present discount value. The table below depicts additional match credit that would be available to the City by using this method.

Property	Match Report (using current method)	Match using Present Value	Additional Match Credit
1	\$8,844	\$10,473	\$1,629
2	\$7,440	\$11,366	\$3,926
3	\$5,190	\$15,172	\$9,982

Recommendation:

2. *The ECD Deputy Director II should ensure the present discount value is used to calculate the match in order to maximize the credit received by City.*

Fire Department - Supplemental Emergency Performance Grant

Background

The City received an award of \$53,350 for the period of October 1, 2015 to July 31, 2016. An extension was approved to extend the grant ending period to October 31, 2016. This was a supplemental competitive grant awarded to the City to provide foam usage and foam delivery appliances/equipment training to the cities, counties, military organizations, airports and Richmond Ambulance Authority in the Richmond Metropolitan area. The training was necessary to:

- Enhance skills and knowledge with sufficient capabilities for flammable liquids firefighting response.

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- Demonstrate the skills (including management) for flammable liquid fires, foam use, application rates, exposure protection, facility construction issues, rail issues, marine issues, and environmental issues associated with low probability but high-impact events.
- Minimize the threat/damage to the population, business (economy), and the environment.

Internal Controls

Based upon testing results and interviews, the auditors determined that adequate controls and procedures were not in place to manage the grant and ensure compliance with grant terms and conditions. The auditors noted the reporting requirements and deadlines were not met. Also, the match requirement was not initially met. The auditors also noted administrative process improvements are needed to ensure accurate and complete recordkeeping.

Grant Requirement	Requirement Met (Yes or No)
Funds were used for allowable expenditures.	Yes
Progress reports were accurately and timely remitted to the grantor.	No
Reimbursements were accurately and timely remitted to the grantor.	Yes
Match requirement was satisfied.	No

Progress Reports

Pursuant to the grant agreement, quarterly progress reports were due on the 15th of January, April, July and October. Also, a final progress report was due 90 days after the end of the grant performance period. Based upon discussion with the Project Manager and review of the grant documentation, it was noted that:

- The quarterly reports were not remitted to the State.
- The final report was not filed in a timely manner. The final report was submitted in June 2017 instead of the end of January 2017, which was the due date.

Match Requirement

This grant required a 100% match from the City. Originally, the Fire Department used foam concentration expenditures and a portion of a fire staff salary to satisfy the match requirement. However, the foam concentration expenditures totaling approximately \$53,000 occurred prior to

the start of the grant period; therefore, it did not qualify to meet the match. Upon the auditors following up with the Project Manager and the grantor, a new match consisting of fire staff salaries was submitted and accepted by the grantor to satisfy the match. This grant has now been closed by the grantor.

Based upon discussions with the Project Manager and the Fire Department finance staff, it was noted the Department's Grant Manager left employment with the City and the position remained vacant due to lack of funding. As a result, the responsibility for administering the grant was delegated to another employee. That employee was not familiar with administering grants and was not trained. The Grant Manager position has now been filled and it is anticipated that this will minimize the risk of future non-compliance.

Recommendations:

- 3. The Fire Administration Deputy Chief should ensure the grant project managers are adequately trained to administer grants.***
- 4. The Fire Administration Deputy Chief should ensure that staff are cross-trained to serve as backup for the Grants Manager.***

Fire Department – Aid to Localities (ATL)

Background

The City was allotted \$647,233 for the period of July 1, 2015 to June 30, 2016 for the improvement of volunteer and career fire services. The ATL funds can be used for firefighter training expenses, travel for training, community risk programs, fire training facilities, personal protective equipment for firefighters, fire service vehicles, and fire equipment needed to assist the firefighters in performing their duties. The funds are collected by the State Corporate Commission as a part of insurance payments and then distributed to localities. The funds become available on July 1st of each respective year and must be claimed by the locality within two years.

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Internal Controls

Based upon testing results and interviews, the auditors determined internal control improvements are needed to ensure accurate and complete expenditures are reported to the grantor and documentation is maintained to support the expenditures.

Grant Requirement	Requirement Met (Yes or No)
Funds were used for allowable expenditures.	Cannot Conclude
Annual Fund Disbursement Agreement was timely remitted to the grantor.	Yes
The Annual Report was timely and accurately remitted to the grantor.	No

Allowable Expenditures

The auditors tested a sample of ten expenditures totaling approximately \$39,000 to ensure they were allowable. Testing revealed that five invoices totaling approximately \$36,000 were allowable. However, conclusions regarding the remaining five invoices could not be expressed due to lack of supporting documentation.

Annual Agreement and Report

Localities are required to complete and submit an annual report (outlines prior year's funding usage) and a disbursement agreement to the Virginia Department of Fire Programs by June 30th to receive their ATL allocations. The auditors determined that both documents were submitted timely. However, the annual report detailing the prior year's expenditures was inaccurate. Eighty invoices totaling approximately \$67,000, which were posted in the City's financial system, were not included in the report. It should be noted that since the City receives its allocation in advance, there was no financial impact to the City for the missed expenditures. However, this grant fund balance is misstated as this is a rolling fund whereby unused monies carried over to the next funding year.

The auditors noted the Fire Department staff used the City's Grant Module data to prepare the report. However, based upon discussion with the City of Richmond Finance staff, the Grant

Module should not be used for reporting purposes as adjustments are not captured and manual adjustments are required. The Fire Department staff was unaware that the Grant Module should not be used.

Fire Department – Four-for-Life

Background

The Four-for-Life Program stipulates that four additional dollars be charged and collected for passenger vehicle, pick up and panel truck registrations and paid into the State Treasury. Twenty-six percent of the four dollar fee is returned to the locality where such vehicles are registered. The City received an allocation of \$155,526 to be used during fiscal year 2016 to:

- Train volunteer or salaried emergency medical service personnel of licensed, nonprofit emergency medical service agencies; and/or
- Purchase equipment and supplies for licensed, non-profit emergency service agencies.

Internal Controls

Based upon testing results and interviews, the auditors determined that adequate controls and procedures were in place to ensure that grant funds were utilized for allowable expenditures. However, internal control improvements are needed to ensure accurate and complete expenditures are reported to the grantor.

Grant Requirement	Requirement Met (Yes or No)
Grant funds were used for allowable expenditures.	Yes
Report of Expenditures timely and accurately remitted to the grantor.	No

Report of Expenditures

Localities are required to submit a Report of Expenditures outlining how the prior year's funds were expended in order to receive their allocations. The report is required to be remitted to the Virginia Department of Health within 30 days of the award notification. The locality's allocation is

withheld until the report is remitted to the State. The City remitted the report and received its allocation. However, the reported expenditures were understated by approximately \$15,000.

- \$966 was posted to a different grant in the general ledger. However, it was captured in the expenditure report for this grant.
- Thirty-nine invoices totaling \$15,876.26 were posted to the general ledger for this grant. However, expenditures were not captured on the expenditure report remitted to the State.

It should be noted that since the City receives its allocation in advance, there was no financial impact to the City for the missed expenditures. However, this grant fund balance is misstated as this is a rolling fund whereby unused monies carried over to the next funding year.

As stated above, The Fire Department staff used the City's Grant Module data to prepare the report. However, the Grant Module should not be used for reporting purposes as adjustments are not captured.

Recommendations:

- 5. The Fire Administration Deputy Chief should ensure that the supporting documentation is maintained for grant expenditures.*
- 6. The Fire Administration Deputy Chief should ensure that staff work with the City's Finance Department to determine which information should be used to compile financial reporting and proceed accordingly.*
- 7. The Fire Administration Deputy Chief should ensure that a reconciliation is conducted for the ATL and Four-for-Life grants to identify all expenditures and correct fund balance and report information accordingly to the grantor.*

Department of Justice Services - Community Corrections Grant

Background

The City of Richmond's Department of Justice Services (DJS) is awarded an annual Community Corrections Grant by the Virginia Department of Criminal Justice Services (VA DCJS). These funds are used to provide pretrial and local probation services to eligible clients and those referred to

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the programs by the City of Richmond's Courts. During FY16, the City received \$1,118,696 for this Grant.

Pretrial Services Program: The purpose of the pretrial services program is to reduce jail overcrowding caused by the detention of pretrial defendants, assist the courts in making better informed bond decisions, and enhance public safety and court appearances through evaluation and supervision of pretrial defendants.

Probation Services Program: The purpose of the probation services program is to provide cost beneficial post sentencing alternatives for select non-violent offenders in an effort to reduce repeat offenders, reduce jail overcrowding and enhance public safety by offering rehabilitative opportunities to the local responsible offender population.

Internal Controls

Testing revealed that DJS generally had adequate internal controls to manage the grant and ensure adherence to the grant's terms and conditions; however, the auditors noted exceptions, which are depicted below. The auditors also noted the administrative process needs improvement to ensure accurate and complete recordkeeping.

Grant Requirement	Requirement Met (Yes or No)
Funds were used for allowable expenditures.	Yes
Financial and progress reports were accurately and timely remitted to the grantor.	Yes
Staff training requirements were met.	No
Reimbursements were accurately and timely remitted to the grantor.	Yes
Pretrial and probation cases were adequately monitored and supervised.	Yes
Pretrial and Probation Officers completed Oath of Office.	Yes
Courts were timely notified when staff left City employment.	No

Training Requirements

The Virginia Department of Criminal Justice Services mandates that all professional staff (i.e. case managers, probation and pretrial officers) obtain 20 hours of in-service training per year. The volunteer professional and clerical staff (i.e. administrative assistants and secretaries) shall receive in-service training as available and deemed appropriate by the locality. The City of Richmond DJS' in-service training requirements are more stringent than the State's requirements. DJS requires the professional and clerical staff to obtain 40 hours and 16 hours of annual training, respectively.

The auditors reviewed the FY16 training records for eleven employees and noted that:

- Five employees obtained the required annual training hours.
- Six employees did not obtain the required annual training hours. Four of the six employees obtained less than 40 hours as required by DJS and two employees obtained less than 20 hours as required by the State.

According to the DJS training standard operating procedures, employees were required to forward all training certificates and documentation to the Department's Training Coordinator to be logged in the training transcript and filed in the employees' files. The Training Coordinator was also responsible for sending a training report to the managers at least semi-annually.

The auditors noted DJS did not have adequate monitoring of the employees' training hours to ensure compliance. In addition, the auditors noted discrepancies between the training log and training documentation files as follows:

- Training hours were recorded in the incorrect fiscal year. Training hours for a class attended during FY15 were incorrectly captured in the FY16 hours for four of the employees reviewed.
- The number of hours in the training log did not agree with the documentation maintained in the training files for two employees. For example, an eight hour training class was not captured in the training log and a one-hour class was listed as five hours.

Recommendation

8. *The DJS Community Corrections Program Manager needs to ensure that employees' training hours are adequately monitored to ensure compliance.*

Court Notifications

Pursuant to Virginia Department of Criminal Justice Services minimum standards, the courts must be notified in writing within five days when a pretrial and probation officer is terminated or is no longer a sworn officer. The auditors reviewed documentation for six officers that separated from City employment during the grant period and noted DJS did not notify the courts within five days for four of the six officers. Notifications to the courts ranged between 15 to 30 days. According to DJS staff, the notifications were not sent timely in order to capture multiple staff in one report.

Recommendation

9. *The DJS Community Corrections Program Manager needs to ensure that the courts are notified within the required timeframe when officers leave employment or no longer serve as sworn officers.*

Police Department – DMV Selective Grants (Alcohol, Speed, Occupant and Pedestrian/Bike)

Background

The City of Richmond Police Department (RPD) is awarded these four grants annually by the Virginia Department of Motor Vehicles (DMV). These grants are funded by the U.S. Department of Transportation, National Highway Safety Administration. The funding is passed through DMV to the City. During grant year 2016, the City received four grants totaling \$144,815. Funding was used to pay for overtime for police officers to perform additional alcohol, speeding, pedestrian and bicycle safety, and occupant safety (seat belt violations) patrols and enforcement activities in high risk/accidents areas. The funding was also used to purchase breathalyzers, safety equipment for Driving Under the Influence (DUI) checkpoints, and safety advertising. The goals of the grants are to reduce alcohol impaired driving, pedestrian, unrestrained vehicle passenger occupant, and speed related fatalities.

Internal Controls

Based upon testing results and interviews, the auditors determined that adequate controls and procedures were in place to manage and ensure adherence to the financial terms and conditions of the grants. However, the auditors noted non-compliance exceptions related to the terms and conditions of the program. The auditors also noted some areas where administrative process improvements were needed to ensure accurate and complete recordkeeping. These observations are noted below:

Grant Requirement	Requirement Met (Yes or No)
Grant funds were used for allowable expenditures.	Yes
Financial reports were accurately and timely remitted to the grantor.	Yes
Progress reports were accurately and timely remitted to the grantor.	No
Reimbursements were accurately and timely remitted to the grantor.	Yes
Match requirement was satisfied.	Yes
Patrols and checkpoints were conducted during high risk times on identified days.	No
Program goals were met.	No
Citations were issued during patrols and checkpoints instead of warnings.	No

Progress and Monitoring Reports

Pursuant to the grant agreement, RPD submitted quarterly progress and monitoring, and salary reimbursement reports to DMV. The progress and monitoring reports provided an update regarding the City's progress in fulfilling the scope of work and special condition requirements. The salary reimbursement reports outlined the reimbursement hours and costs for the completed patrols and checkpoints during the reporting period. The auditors analyzed the overtime hours captured in the progress reports to the salary reimbursement reports and payroll documentation for six quarterly reports. The analysis revealed that RPD filed all six quarterly progress reports timely. However, the auditors noted discrepancies between the overtime hours reported in the

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progress and the salary reimbursement reports for five of the quarters analyzed. The overtime hours captured in the progress reports were understated by 70.1 hours, as depicted below.

Grant	Quarter Ending	OT Hours reported on progress report	OT Hours captured on the salary reimbursement report and in payroll records	Variance
Occupant	6/30/16	63	52	11
Alcohol	12/31/15	106	113.3	(7.3)
Alcohol	6/30/16	223	220.5	2.5
Speed	3/31/16	231	249.8	(18.8)
Speed	9/30/16	264	321.5	(57.5)
Total difference				(70.1)

The above differences were attributed to the following:

- Most of the discrepancies were due to timing differences. The salary reimbursement report captured overtime hours up to the last pay period of the quarter, whereas the progress report captured overtime hours up to the last month of the quarter. This means that the end dates did not always coincide.
- Overtime hours captured in the payroll system and supported by payroll documentation were not captured in the progress reports. The progress reports were prepared by the Project Manager using hardcopy overtime sheets, which were provided by the police officers. Per the Program Manager, the police officers did not always provide copies of the overtime sheets.
- The Program Manager captured overtime hours in the progress reports which were not included in the payroll system and documentation.

In addition, the auditors noted that the citation statistics captured in the quarterly progress reports did not tie to the RPD's Records Management System (RMS). The auditors tested 12 alcohol patrol citations and noted nine did not match the information captured in RMS. The reported number of citations issued were overstated. The Program Manager relied on the hardcopy documentation completed by the officers, which outlined information, such as the number of vehicles stopped and the number and types of citation issued, to compile the quarterly reports.

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The Program Manager attributed some of the differences noted between the statistics captured on the quarterly reports and RMS to how the information was categorized in the citations. However, if different categories and verbiage were used, the number of citations issued would still be the same. For example, one of the officers indicated that he worked two hours of overtime on February 9, 2016 and issued three citations. However, the payroll records did not show the officer working this overtime. Without adequate controls, incorrect information is reported to the grantor.

Patrols and Checkpoints

The grant's scope of work and special conditions required that 75% of the grant funded patrols and checkpoints be conducted during the identified high risk timeframes and specific days as described below. The remaining 25% of the enforcement hours must be conducted during other DMV identified high crash time periods.

Grant	High Risk Timeframe	Days	Requirement Met (Yes or No)
Alcohol	3:00 pm to 3:00 am	Thursday through Sunday	Yes
Speed	12:00 pm to 9:00 pm	Tuesday, Wednesday, Friday, and Sunday	No
Occupant	12:00 pm to 3:00 am	Tuesday through Sunday	Yes
Pedestrian/Bike	3:00 pm to- 9:00 pm	Thursday through Saturday	No

Testing revealed that the enforcement activities were conducted during the required timeframes and on the specified days for the alcohol and occupant safety grants. However, the enforcement activities were not conducted during the above timeframes for the speed and pedestrian/bike grants:

The compliance rate was as follows:

- Speed Patrol - 69% compliance
- Pedestrian/Bike Patrol – 63%compliance

The scope of work for each grant outlined the estimated number of overtime hours allocated and the number of patrols to be conducted. The auditors compared the goals reported to DMV with the actual hours and patrol statistics reported in the quarterly progress reports and determined that overall the goals were met for all the grants, except for the alcohol grant. RPD estimated conducting 220 alcohol patrols; however, the actual number of alcohol patrols conducted was 193.

Issued Warnings

Per the grant regulations, warnings cannot be issued during the grant funded patrols and checkpoints. However, based upon analysis of the patrol and checkpoint information maintained by the Project Manager, officers inappropriately issued warnings as noted below.

<i>Grant</i>	<i># of Warnings Issued</i>
<i>Alcohol</i>	151
<i>Speed</i>	109
<i>Occupant</i>	21
<i>Pedestrian/Bike</i>	5

Recommendations:

- 10. The RPD Program Manager over the DMV grants should ensure that the same ending timeframe is used for the overtime hours reported in the progress and salary reimbursement reports.*
- 11. The RPD Program Manager over the DMV grants and Operations Manager of the Planning Division should develop and implement a process to reconcile the grant funded citations statistics documented by the officers to the Police Department's citation system to ensure accurate information is reported to DMV.*
- 12. The RPD Program Manager over the DMV grants should implement procedures to ensure officers do not issue warnings during grant funded patrols and checkpoints.*
- 13. The RPD Program Manager over the DMV grants needs to develop and implement procedures to ensure that the grant funded enforcement activities are conducted during the required timeframes on the days specified in the grant scope of work and special conditions.*

Department of Public Works (DPW) – Employee Trip Reduction

Background

The City received a grant award in the amount of \$600,000 for the period of February 26, 2014 to September 30, 2016. An extension was requested and approved adjusting the grant end period to December 31, 2017. The purpose of the grant is to provide employees with transportation to and from work allowing the reduction of pollutants to the environment. Employees are issued bus passes that can be used on the local transit system or receive a vanpool voucher for their travel to and from work. The City spent \$193,441 in FY16.

Internal Controls

Based upon testing results and interviews, the auditors determined that adequate controls and procedures were in place to ensure that grant funds were utilized for allowable expenditures and requests for reimbursements were submitted and obtained from the grantor. However, improvements are needed in the process for deactivating bus passes when employees leave City employment or decide not participate in the program.

Grant Requirement	Requirement Met (Yes or No)
Funds were used for allowable expenditures.	Yes
Reimbursement requests were accurately remitted to the grantor.	Yes

During FY16, there were 899 active bus passes and at the time of our review 56 of these passes were assigned to employees who had left City employment. One of the 56 cards was still used 325 times totaling \$487.50. According to the employee's separation checklist, the bus pass was returned to the department upon separation. The Inspector General staff could not identify who used the card after the employee left the City. The City was reimbursed for this expenditure. As such, the City may have been inappropriately reimbursed for these expenditures.

The auditors also noted that the bus passes were not deactivated timely. The 56 cards noted above had not been deactivated as of July 19, 2016. The number of days the cards remained active after employees separated from the City ranged from 22 to 597 days.

According to the Employee Trip Coordinator's instructions, the assigned coordinator within each department is required to enter a termination date to deactivate the cards in the City's tracking system. Once the cards are deactivated in the system, a listing is forwarded to the local transit company to deactivate the bus pass in its system. However, these procedures were not followed consistently. Based upon discussions with some of the department coordinators that had bus passes that were not deactivated:

- Some coordinators were not aware that they were responsible for deactivating the cards in the tracking system. Staff indicated they were not trained on the employee trip reduction instructions.
- Some coordinators were not notified when the employees separated from the City. Therefore, the cards were not deactivated.
- Some cards were not deactivated due to oversight.
- Deactivation dates were entered into the tracking system for three cards; however, the cards remained activate. It is unknown, why the cards were not deactivated.

The auditors also noted that there were 13 departments that did not have a coordinator on file, which contributed to the lack of card deactivation in the system.

Recommendations:

- 14. The Department of Public Works Deputy Director of Finance needs to ensure that the Departmental coordinators are trained on the Employee Trip Reduction policies and procedures.***
- 15. The Department of Public Works Deputy Director of Finance needs to devise and implement monitoring procedures to ensure that bus passes are timely deactivated upon employee separation from the City.***
- 16. The Department of Public Works Deputy Director of Finance needs to devise and implement a deactivation process for the Departments that do not have a coordinator.***

Department of Public Works – Curb Recycling

Background

DPW received a grant of \$420,000 from the Curbside Value Partnership (CVP) to support the enhancement of the residential recycling program. This was a one-time pilot grant to help the City transition from a bin-based collection program to a cart-based collection program. The City was to deliver 61,500 recycling carts to residential households. Three hundred fifty thousand dollars (\$350,000) of the award was to be used to purchase and distribute the initial 6,000 carts and \$70,000 was to be used for education and outreach activities. The cost for the remaining carts were funded by the City. The contract to deliver the carts ran from January 2015 to December 2015.

Internal Controls

Based upon testing results and interviews, the auditors determined that adequate controls and procedures were in place to ensure that grant funds were used for allowable expenditures and to ensure required reports were timely remitted to the grantor. However, internal control improvements are needed to ensure that:

- Accurate and complete expenditures are reported and requested for reimbursement from the grantor; and
- Documentation is maintained to support the efforts taken and demonstrate compliance.

Grant Requirement	Requirement Met (Yes or No)
Funds were used for allowable expenditures.	Yes
Reimbursement requests were accurately remitted to the grantor.	No
Quarterly progress and final report were accurately and timely remitted to the grantor.	No
Recycling carts were distributed to all residential households.	Could Not Conclude

Delivery of Recycling Carts

As stated above, the City was to provide 61,500 recycling carts to residential households. The purchase and delivery of the carts were incorporated into the City's existing recycle contract. The

grant funding covered the initial pilot program for 5,800 carts. The remaining cart cost was amortized over the term of the contract and built into the residential recycling service fee.

The auditors noted that DPW purchased 5,800 carts and delivered 5,238. However, the auditors could not verify if the additional carts were purchased and delivered as the City does not maintain an inventory of the carts and a distribution listing was not available beyond the initial pilot.

Progress Reports

Per the grant agreement/contract, the City was required to remit four quarterly progress reports and a final report to the grantor outlining information, such as the expenditures to date, work accomplishments, any encountered issues and corrective actions taken, projected work for the next quarter and whether the project was on schedule. The agreement also required that the quarterly reports include copies of the invoices submitted for reimbursement.

The auditors determined that the reports were submitted timely. However, the reported information was inaccurate and incomplete. The auditors were unable to determine how the reports were created or how the data was compiled due to staff turnover. The auditors also had to obtain the progress reports from the grantor and copies of the invoices requested for reimbursement from the third party vendor that assisted with this project, as information could not be located within the City. Below is a summary of the discrepancies noted in the reported information.

- Expenditures to date were required to be reported on the progress reports. However, the reported amounts fluctuated up and down instead of continually increasing each quarter. For example, the first quarterly report indicated that \$338,975 had been spent to date. However, the second quarter report indicated that only \$31,167 has been spent to date.
- The total expenditures for the carts and education/outreach, which were required, were not reported and captured in the final report.

Reimbursements

The City requested and obtained reimbursements for 25 invoices totaling \$402,075 for allowable expenditures. The auditors traced the expenditures to the general ledger and identified the below discrepancies.

- Three invoices totaling \$37,824 were not in the City's financial system. There is no evidence that the City actually incurred these expenditures.
- One invoice totaling \$1,450 was requested and reimbursed twice.
- The full amount of two invoices were requested and reimbursed. However, only a portion of the expenditures were paid and posted to the general ledger. As such, the City was over reimbursed by approximately \$200.
- Expenditures totaling approximately \$10,000 were posted to the general ledger for this grant but were not included in the reimbursement requests. As a result, the City had to absorb this cost.

Recommendations:

- 17. The Department of Public Works Deputy Director of Finance should contact the grantor about these errors in this closed grant to see if amendments need to be submitted.***

Department of Finance – Journal Entries

The auditors noted that the expenditures and reimbursement receipts outlined below were not properly posted to the grants. Per the departmental staff for the grants under review, they submitted journal entry requests to reclassify expenditures to the grants and pay-in forms (deposits) to move the reimbursement receipts to the grant to Finance but these were not processed. The auditors noted that at the completion of fieldwork, the entries still had not been processed. As such, the grant balances were misstated in RAPIDS. For federal grant funds, this also impacts the Schedule of Expenditures of Federal Awards (SEFA).

- *Community Corrections Grant (Justice Services)* – The FY16 grant award ended June 30, 2016 and the final report was submitted to the grantor on September 26, 2016. However, the grant has not been closed out on the City side as DJS is still working with the Finance

Department to reconcile the account. Journal entry requests totaling approximately \$28,000 to reclassify expenditures to the correct award number were not processed.

- *DMV Select Enforcement Grants (Police)* – Reimbursements from the grantor were wired into the City's bank account. Pay-in requests totaling approximately \$22,000 to reclassify the reimbursement receipts from the City's bank account to the grant were not processed. Also, journal entry requests totaling approximately \$58,000 to reclassify payroll expenditures from the general fund to the grant were not processed.
- *Recycling Grant (Public Works)* – A deposit totaling approximately \$26,000 was not processed to reclassify the reimbursement receipts from the bank account to the grant.

The Finance Department staff attributes the entries not being processed to staff turnover and vacancies. Finance has since hired an Accounting Manager (in September 2016) and three accountants (in November 2017) for grants and special revenues. Per the Accounting Manager, staff are working to reconcile and close out old accounts. Also, each department/agency will be assigned a liaison that will be responsible for processing journal entries. The liaisons will notify the departments when the entries are processed.

In addition, the Finance Department has recently implemented an Accounts Receivable Division in an effort to accurately and timely record revenues. City agencies and departments are now required to forward an accounts receivable form, which include information, such as reimbursement request amount, request date, accounting string and grant number, along with supporting documentation to the Accounts Receivable Division for each reimbursement request. This will allow the Accounts Receivable staff to anticipate what funds are due to the City prior to the funds hitting the City's bank account and aid in the timing movement of the receipts to the grant.

Furthermore, the Accounting Manager for Grants and Special Funds indicated they will be working with the department/agencies to assess what information and reports they are able to access in Rapids. Also, it is anticipated that training on the RAPIDS reports will be developed and provided. The above changes along with providing training to the departments and agencies, may help

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improve that grant receipts and expenditures are properly posted and accounts are closed out timely.

Recommendations:

- 18. The Finance Accounting Manager for Grants and Special Funds needs to work with departments that regularly receive grants to identify reporting needs and provide RAPIDS report training on special fund revenues and expenditures.*
- 19. The Finance Accounting Manager for Grants and Special Funds needs to continue working with the departments to reconcile and close out the old accounts for the grants reviewed; Community Corrections Grant, DMV Select Enforcement Grants and Recycling Grant.*
- 20. The Accounts Receivable Manager needs to implement monitoring procedures to ensure compliance with the Accounts Receivable procedures.*

APPENDIX A: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
1	The ECD Deputy Director II should develop and implement procedures to ensure that receipts are properly posted in IDIS.	N	The City is working closely with HUD on reporting recapture receipts. Often multiple year funding is used in completing a project. Although the regulations have not changed, HUD policy on those regulations become the guiding factor. HUD is working with our federally-funded accounting staff on making the appropriate posting determinations. Currently it is either reflected as Program Income or in the IDIS Local Account. (Both are treated as Program Income.) We were unable to reflect this in the IDIs system previously. All adjustments are accounted for in our CAPER year end report.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			AUDITOR COMMENTS
			Per the IDIS training manual this should be posted as homebuyer recapture(s)
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
2	ECD Deputy Director II should ensure the present discount value is used to calculate the match in order to maximize the credit received by City.	y	ECD, as the administrator of the Entitlement dollars and funded programs, works in partnership with the local HUD Office to enhance productivity and compliance. Program changes are reflected periodically in the Procedures Manual. The Manual is scheduled to be updated within the next month. Training is provided to staff and sub recipients on material/substinate changes. The City is in good standing with HUD and has no outstanding Findings or Concerns with its Entitlement Funds.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
			30-Sep-18
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

APPENDIX A: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
3	The Fire Administration Deputy Chief should ensure the grant project managers are adequately trained to administer grants.	Y	The Grant Analyst position was vacant from November 2015 - October 2017; which primarily represents most if not all of the grant period included in this audit. The current analyst was hired October 2017. When the current Grant Analyst was hired there were "work/training sessions" with the Department of Finance Grants Division, Department of OEM staff and the Department of Fire Programs Grants Manager along with the Business Manager and Accountant for the Fire Department to gain knowledge relating to the City's grants management.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Business Manager		Completed
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	Completed		This was effective with the current Grant Analyst
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
4	The Fire Administration Deputy Chief should ensure that staff are cross-trained to serve as backup for the Grants Manager.	Y	Currently the Department is not staffed at a level to allow for cross training of this position. Fire Administration is in the process of a Departmental Re-Organization that will allow for additional staffing needs within Fire Administration (civilian staffing). Once the positions are approved/funded the process will begin for cross training.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Business Manager		December 31, 2019
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			Not currently implemented.
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
5	The Fire Administration Deputy Chief should ensure that the supporting documentation is maintained for grant expenditures.	Y	Processes have been implemented to ensure appropriate documentation is maintained as it relates to grant expenditures. Fire Administration will continue to maintain appropriate supporting documentation for grant expenditures electronically and "hard copy".
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Business Manager		Completed
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			Implemented

APPENDIX A: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
6	The Fire Administration Deputy Chief should ensure that staff work with the City's Finance Department to determine which information should be used to compile financial reporting and proceed accordingly.	Y	The Department has met with the Audit Office Staff regarding the best reporting options to use within RAPIDS. In addition the Department's Grant Analyst consults regularly with the Department of Finance Grants Accounts regarding various grant inquiries.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Business Manager		Completed
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			Implemented. See action steps above.
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
7	The Fire Administration Deputy Chief should ensure that a reconciliation is conducted for the ATL and four- for life grants to identify all expenditures and correct fund balance and report information accordingly to the grantor.	Y	When reporting annual expenditures to the grantor the Department implemented usage of the RAPID's system Project and Grants Module. The Department was advised at a later date after reporting to the Grantor that the Project and Grants Module is not a reliable for reporting accurate expenditure data. The Departments Grants Analyst has since met with a member of the audit team and finance grants team to receive training associated with the appropriate module in RAPIDS to obtain accurate expenditure data. In addition the Grant Analyst conducts monthly reconciliations with the Department of Finance which will reconcile any outstanding reporting items associated with the annual reporting due to the Grantor
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Business Manager		Completed
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			Implemented. See action steps above.
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
8	The DJS Community Corrections Program Manager needs to ensure that employees' training hours are adequately monitored to ensure compliance.	Y	A revised procedure will include confirmation of the employee training log and supporting training documentation at a minimum of twice per year.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program Manager		16-Apr-18
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

**APPENDIX A: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
9	The DJS Community Corrections Program Manager needs to ensure that the courts are notified within the required timeframe when officers leave employment or no longer serve as sworn officers.	Y	DJS currently has a practice to submit an "Internal New Hire/Transfer/Termination Checklist" form for each employee. This form was revised to include court notification date.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program Manager		16-Apr-18
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
10	The RPD Program Manager over the DMV grants should ensure that the same ending timeframe is used for the overtime hours reported in the progress and salary reimbursement reports.	Y	Program Manager will receive, review and sign activity sheets and overtime Slips. Program Manager will also check the POSS overtime request for the number of hours worked, date, time and POSS overtime code. Administrative Project Analyst will check for accuracy and confirm that the activity sheet, overtime hours, progress report and salary reimbursement reports match.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program Manager(s)		January 1, 2018
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	DMV Grants are reviewed by the Program Manager, Administrative Project Analyst, and Grants Manager. As of January 1, 2018, a new Program Manager (Traffic Division) was assigned to oversee the DMV Grants.		Included in the Corrective Action Plan submitted to VA DMV in January 2018. The stated recommendation was resolved as a result of their audit on the same grant awards. A new Program Manager was assigned to manage the DMV Grant Awards in January 2018.

APPENDIX A: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
11	The RPD Program Manager over the DMV grants and Operations Manager of the Planning Division should develop and implement a process to reconcile the grant funded citations statistics documented by the officers to the Police Department's citation system to ensure accurate information is reported to DMV.	Y	The Program Manager will verify CAD numbers, arrests, overtime slips and activity sheets for all grant funded overtime submitted for approval. The Police Chief, Program Manager(s), Grant Manager, and the Planning Division will review the current General Order. 4.2. titled "Overtime and Compensatory Time" to ensure that the policy includes the aforementioned. The General Order will be updated to reflect all changes.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program Manager(s), Planning Division		Reviewed annually by the Planning Division; Corrections to the General Order will be submitted after the City Audit and DMV Audit to ensure all recommendations are addressed.
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	Actions steps are currently in progress. Any addition(s) to the general order will be submitted and implemented during the Planning Division's normal and routine review cycle.		
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
12	The RPD Program Manager over the DMV grants should implement procedures to ensure officers do not issue warnings during grant funded patrols and checkpoints.	Y	The Program Manager will meet with the officers working VA DMV Grant Overtime to convey the expectations of the grant. All officers will sign an Acknowledgement Form indicating their understanding of the procedures set forth by the VA DMV, U.S. Dept. of Transportation and the National Highway Safety Administration. DMV mandates that Officers cannot issue seatbelt warnings during grant funded patrols and checkpoints. Other warnings are at the police officer's discretion and are not mandated by VA DMV.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program Manager(s)		January 1, 2018
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			As a result of the DMV Audit, action steps were implemented in January 2018.

**APPENDIX A: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
13	The RPD Program Manager over the DMV grants needs to develop and implement procedures to ensure that the grant funded enforcement activities are conducted during the required timeframes on the days specified in the grant scope of work and special conditions.	Y	The Program Manager, Grant Manager, and Administrative Project Analyst will ensure that the grant funded enforcement activities are conducted during the required timeframes specified in the grant scope of work and special conditions. The Program Manager will also make adjustments to the progress report if the grant scope of work changes for any reason. All adjustments will be reported in the progress report and emailed to the DMV Program Manager.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Program Manager(s), Police Chief		Progress Reports are submitted quarterly.
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
			If there are any changes to the grant scope of work, the Program Manager will indicate the changes (in writing) in the quarterly report. The Program Manager will also send an email to the DMV Program Manager for review prior to submission of the quarterly report.
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
14	The Department of Public Works Deputy Director of Finance needs to ensure that the Departmental coordinators are trained on the Employee Trip Reduction policies and procedures.	Y	Public Works will provide training for all departmental coordinators.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Deputy Director II - Finance/Administration		July 1, 2018
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
15	The Department of Public Works Deputy Director of Finance needs to devise and implement monitoring procedures to ensure that bus passes are timely deactivated upon employee separation from the City.	Y	Public Works will develop Standard Operating Procedures to outline the deactivation process.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Deputy Director II - Finance/Administration		July 1, 2018
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

APPENDIX A: MANAGEMENT RESPONSE FORM
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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
16	The Department of Public Works Deputy Director of Finance needs to devise and implement a deactivation process for the Departments that do not have a coordinator.	Y	The Standard Operating Procedures will address the deactivation process for ALL departments
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Deputy Director II - Finance/Administration		July 1, 2018
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
17	The Department of Public Works Deputy Director of Finance should contact the grantor about these errors in this closed grant to see if amendments need to be submitted.	Y	This grant was administered in accordance with the set guidelines. Public Works has requested written documentation from the grantor regarding the status and administration of this closed grant.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Deputy Director II - Finance/Administration		May 15, 2018
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
18	The Finance Accounting Manager for Grants and Special Funds needs to work with departments that regularly receive grants to identify reporting needs and provide RAPIDS report training on special fund revenues and expenditures.	Y	RAPIDS report training on special fund revenues and expenditures will be provided to the applicable agencies in the near future.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Finance Accounting Manager for Grants and Special Funds		6/30/18
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
19	The Finance Accounting Manager for Grants and Special Funds needs to continue working with the departments and agency to reconcile and close out the old accounts for the grants reviewed; Community Corrections Grant, DMV Select Enforcement Grants and Recycling Grant	Y	The Finance Accounting Manager is continually identifying, reviewing and documenting procedures to reconcile and inform departments of the closeout of expired programs and awards. Finance will work with the respective agencies to close out the 3 grants noted in the report.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Finance Accounting Manager for Grants and Special Funds		06/30/18
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION

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#	RECOMMENDATION	CONCUR Y/N	ACTION STEPS
20	The Accounts Receivable Manager needs to implement monitoring procedures to ensure compliance with the Accounts Receivable procedures.	Y	The Finance Department is establishing an Accounts Receivable unit which will assist in identifying and recording revenues requested from outside agencies that are due to the City as well as identifying billing and collections for Miscellaneous Revenues as they are being identified.
	TITLE OF RESPONSIBLE PERSON		TARGET DATE
	Accounts Receivable Manager		6/30/18
	IF IN PROGRESS, EXPLAIN ANY DELAYS		IF IMPLEMENTED, DETAILS OF IMPLEMENTATION
	At this time, Finance is still in the process of filling the Accounting Manager for AR position.		