



Audit and Finance Committee Meeting

Single Audit Findings - City Responses September 23, 2015



Overview of Federal and State Awards

During fiscal year 2014, the City of Austin managed \$255,939,770 of combined Federal and State awards, expending or passing through to sub recipients \$62,102,863. Of this \$62,102,863 in FY14 expenditures, \$32,766,189 in grant expenditures were selected for audit testing.

Type of grant	Total spending FY14	Audited balance FY14
Federal (and pass through grants)	\$57,955,183	\$30,570,019
State (and pass through grants)	4,417,680	2,196,170
Totals	\$62,102,863	\$32,766,189

Single Audit Finding 2014-01

- Significant Deficiency: Expenditures reflected in 2014 SEFA/SESA related to prior years.
 - Controller's Office: Controller's Office requires year end assertion all grant expenses are accurate, provided additional training and sponsored grant practice webinars, instituted quarterly reminders to departments and developed more thorough review process by grant accounting personnel.
 - Austin Transportation Department: Austin Transportation Department instituted additional internal controls and implemented monthly review and monitoring of expenses.

Single Audit Finding 2014-01, continued

- Significant Deficiency: Expenditures reflected in 2014 SEFA/SESA related to prior years.
 - Parks and Recreation Department: Parks and Recreation Department implemented quarterly review process to ensure revenues and expenditures are reported in the appropriate year
 - Health and Human Services Department: Health and Human Services Department instituted a monthly grant reporting process and quarterly review and communication of expenses to the Controller's Office.

Single Audit Finding 2014-02

- Significant Deficiency: Insufficient training of personnel performing eligibility determination and insufficient review of intake information.
 - Health and Human Services Response: Health and Human Services strengthened internal peer review procedures and staff as been re-trained on eligibility guidelines. Personnel performance review requirements have been strengthened to hold staff accountable for eligibility determinations.

Single Audit Finding 2014-03

- Significant Deficiency: Failure to file reports to the grantor timely in accordance with grant agreements.
 - Parks and Recreation Response: PARD established quarterly Grant Review Meetings to discuss grant requirements and current progress with project staff. PARD will request and secure copies of all required reports prior to grant due date.
 - Health and Human Services Department: Implemented new procedures to review reports in advance of due dates allowing time to correct deficiencies and timely submit final reports.
 - Fire: Fire will obtain and maintain exception reporting communication diligently.

Single Audit Finding 2014-04

- Significant Deficiency: Reports submitted to grantor with improper frequency and out of period expenses.
 - Austin Transportation Response: Austin Transportation Department transferred this grant from Public Works and the ATD grant coordinator is working with the Program Manager to bill the grantor timely per the grant.
 - Health and Human Services Response: The Health and Human Services Department and Homeless Housing and Services Program Coordinator implemented a process for documented expenditure reviews to ensure timely reporting to the grantor and correct reporting in the SEFA.

Single Audit Finding 2014-05

- Significant Deficiency: Cash draws did not comply with cash management procedures established by grantor.
 - Neighborhood Housing and Community Development
Response: NHCD returned the funds to the custodian bank account established for the purpose of holding grant funds.

Single Audit Finding 2014-06

- Significant Deficiency: Monthly fund statements were not provided to the grantor as required.
 - Economic Development Department Response: The Economic Development Department established a monitoring process with the custodian to submit monthly bank statements to the grantor and notify the contract manager when such statements are provided.