

# SINGLE AUDIT

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## Management Responses

### City of Austin, Texas

Financial Statements as of and for the  
Year Ended September 30, 2017,  
Single Audit Report for the  
Year Ended September 30, 2017, and  
Independent Auditors' Reports

## 2017-001: SEFA/SESA PREPARATION

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- **Finding 2017-001:** Expenditures related to fiscal year 2016 for multiple federal and state grant programs were improperly included in the fiscal year 2017 schedules. Additionally, the City corrected the Schedules to include expenditures incurred in fiscal year 2017 for multiple federal and state grant programs, but not originally reflected in the fiscal year 2017 Schedules.
- **Responsible Department:** Controller's Office
- **Response:** Concur. The Controller's Office implemented a policy to accrue all grant payments for services or products received prior to year-end. Controller's Office will review all payments made 60 days after fiscal year end and work with departments to appropriately accrue any expenses for prior year goods and services. The Controller's Office will also coordinate with departments on any payments for prior year goods and services that occur or are expected to occur after the 60-day review. Furthermore, the Controller's Office will increase communication with departments about the timely recording of expenses to the appropriate fiscal year.

## 2017-002: RYAN WHITE

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- **Finding 2017-002:** The contracts with four of the City's sub-recipients for Ryan White Emergency Care excluded the CFDA and FAIN numbers.
- **Responsible Department:** Austin Public Health
- **Response:** Concur. APH implemented a new process to ensure all Uniform Grant Guidance elements are included in the sub-recipient contracts including the CFDA and FAIN numbers. This process change is a standardized exhibit page now included as part of each contract.

## 2017-003: CDBG

- **Finding 2017-003:** Four out of 56 weekly timesheet certifications tested noted an improper project name or improper week end period leading to a subsequent weekly timesheet certification with some having a year delay.
- **Responsible Department:** Neighborhood Housing and Community Development
- **Response:** Concur. NHCD will review current processes and procedures in relation to the Davis-Bacon Requirements and perform an internal assessment of staff capacity and training requirements. Upon completion of this comprehensive review and assessment, we expect to improve our capacity to review efficiently the weekly certified payrolls to ensure all wage rate requirements have been met, create a complete and correct list of all contractors and payrolls, and identify in advance any discrepancy and errors in all steps of the review process.

## 2017-004: CDBG

- **Finding 2017-004:** Annual Section 3 Report was submitted to HUD with inaccurate information.
- **Responsible Department:** Neighborhood Housing and Community Development
- **Response:** Concur. NHCD will incorporate the appropriate changes to improve the tracking and reporting of Section 3 businesses receiving construction contracts and the total expenditures from those contractors. In addition, NHCD will take the required actions, including management level review, to verify in advance all information submitted to HUD and any other entities.

## 2017-005: SAFETY SEAT PROGRAM

- **Finding 2017-005:** Management did not properly review reimbursement requests before submission to the grantor.
- **Responsible Department:** Emergency Medical Services
- **Response:** Concur. The Emergency Medical Services Department created a monthly billing packet that includes a document checklist coversheet, a monthly and year-to-date summary report of expenses, and a reconciliation spreadsheet for the Child Safety Seat Grant. The financial analyst will complete the billing packet each month and will submit to the financial manager for review. Upon completion of the review, the financial manager will approve the billing packet by signing and dating the document checklist coversheet.



## 2017-006: CDBG

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- **Finding 2017-006:** 5 selected vendors with whom the City spent CDBG funds in the fiscal year were procured through a bidding process that awarded points for geographic location.
- **Responsible Departments:** Purchasing Office & Neighborhood Housing and Community Development
- **Response:** Concur. Management will implement written policies regarding specialized rules for federal procurement, including review of whether the procurement will allow geographic preference. In addition, department procurement staff will also be made aware of the requirements at the annual purchasing refresher training.