



Proprietary & Confidential

FINAL REPORT

City of Pasadena
GRANTS MANAGEMENT INTERNAL AUDIT

November 26, 2019

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I. EXECUTIVE SUMMARY

A. SCOPE AND METHODOLOGY

The purpose of the internal audit was to evaluate the effectiveness and efficiency of the procedures and related internal controls over The City of Pasadena’s (the City) grants management practices. The audit specifically focused on Public Works Capital Improvement Program (CIP) projects.

This internal audit was performed consistent with the requirements for audits prescribed in the International Standards for the Professional Practice of Internal Auditing (Red Book). We were not engaged to, and did not conduct, an audit in accordance with US generally accepted auditing standards or an examination in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants, the objective of which would be the expression of an opinion on the claimed costs. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work or the information upon which our work is based. The scope of this engagement is outlined in the body of our report.

B. SUMMARY OF FINDINGS AND RECOMMENDATIONS

The results of our internal audit revealed the following opportunities for the City to improve its procedures and related internal controls over the grants management process.

FINDINGS AND RECOMMENDATIONS		
1	Finding	Public Works does not have comprehensive written grant administration policies and procedures (P&Ps) and there is not a City-wide P&P that covers all City departments/functions.
	Recommendation	Develop and implement comprehensive grant administration P&Ps (specifically for Public Works and City-wide) to provide guidance to personnel responsible for managing grants on the City’s behalf.
2	Finding	The City does not provide training regarding grant management processes to educate and guide employees through all aspects of grant compliance and overall grant management.
	Recommendation	Create a grant management and administration training program to provide in-depth guidance for employees involved in grant functions. Training should cover all aspects of the planned Grant Administration P&Ps to give employees the tools to ensure compliance.
3	Finding	The City’s current document retention policy has not prevented the destruction of records that support grant compliance requirements and grant expenditures prior to the close out or expiration of grants.
	Recommendation	Revise the document retention policy to require storage of records used to support grant compliance requirements and grant expenditures, as required by federal, state, and local governments for a period equal to the date of final payment or claim, plus three years.



FINDINGS AND RECOMMENDATIONS		
4	Finding	Inefficient workflows exist because project managers rely on self-maintained spreadsheets rather than utilizing the MUNIS system or other resources to manage grants.
	Recommendation	Reassess the feasibility of implementing the Grant Accounting Module within the MUNIS system or research other grants management systems available. Based on the assessments, select and implement a system for tracking and monitoring grants consistently across the City.
5	Finding	Communication between departments regarding the objectives, expectations, and responsibilities of the grants management process could be improved.
	Recommendation	Utilize documented P&Ps, employee training, internal memos, and other means to communicate between the various departments involved with grant management and administration.
6	Finding	Grant billings related to Public Works are not submitted for reimbursement of costs incurred in a timely manner.
	Recommendation	Develop requirements for the frequency of grant billing submittals and monitor and enforce compliance with those requirements. Identify grants that currently have unreimbursed expenditures and submit related billings to get all grants current.
7	Finding	A process is not in place at Public Works to review all expenses charged to grants ensuring that they are allowable based on the grant requirements. Project managers are not fully aware of specific allowable and unallowable costs for each grant.
	Recommendation	A formal process should be developed for the evaluation of expenses to determine if they are considered allowable based on the specific grant they are being applied to. The responsibility for this evaluation, and the related documentation requirements, should be documented in the Grant Administration P&P. Program managers should be trained on how to ensure compliance.
8	Finding	Public Works has made a lot of progress related to grant/project monitoring and reporting. However, there is not a City-wide comprehensive reporting and monitoring tool in place to alert management when project delays could result in the expiration/loss of grant funds.
	Recommendation	Develop a City-wide comprehensive tracking report and related procedures to track all open grant-funded projects, including their current status, percentage of completion, milestones, deadlines, grant expiration date, expenditures to date, and remaining funds. Project managers should be required to populate this information on a regular basis and monitoring should occur to ensure delays are identified and addressed timely.



II. BACKGROUND, SCOPE, AND METHODOLOGY

A. BACKGROUND

The City receives a number of federal, state, and local grants to supplement City funding used to perform various capital projects and program activities. Under the City's current processes, individual departments applying for grants, and performing the work related to those grants, are considered the program administrators of the grant. The Budget Division and Accounting Divisions of the Finance Department provide assistance with regard to financial administration and reporting for grants; however, the program administrators are ultimately responsible for ensuring compliance with grant terms and conditions. The City utilizes its main ERP system (MUNIS¹) to account for all financial transactions related to grant programs.

In 2009, the Arroyo Seco area of Pasadena was adversely impacted by fire and mud flows from the largest wildfire in Los Angeles County history. This area has a significant number of projects supported by grants. After the fire, the projects were placed on hold until Los Angeles County Flood Control could determine the best way to protect the area. Those managing the grants at the time thought grant extensions would be possible, as had been the case in the past, to prevent loss of grant funds. However, the extensions were not granted and the City lost roughly \$800,000 in funds because projects could not be completed in time to qualify for reimbursement. This loss of grant funds brought attention to the need to actively monitor grant funds, to complete projects on schedule or apply for extensions before lapse occurs, and to perform grant billing timely.

Moss Adams LLP (Moss Adams) was contracted by the City to evaluate the processes and internal controls related to the City's grants management practices, specifically focusing on Public Works and the Arroyo Seco grant-funded projects, and identify opportunities for improvement. Our internal audit took place between April and August 2019.

B. SCOPE AND METHODOLOGY

The scope of our internal audit was selected grants management processes of the City, specifically focusing on the following objectives related to Public Works and the 10 Arroyo Seco projects in the Capital Improvement Program:

1. Determine whether the City has developed and implemented written policies and procedures related to the administration of grants.
2. Review and evaluate the current grants management procedures and identify opportunities for improving the efficiency and effectiveness of the City's grants management process.
3. Review and evaluate the prior and current grants management procedures to determine the processes used to use grant funds and process invoices prior to grant deadlines.
4. Review and evaluate the prior and current grants management procedures to determine the processes used to identify and exclude unallowable costs from grant invoices and test their effectiveness.

¹ MUNIS by Tyler Technologies



5. Identify an early warning tool to alert management when a project's schedule could cause a grant to expire prior to the project being complete.

This internal audit was conducted in four phases:

1. **Startup/Management:** Conducted planning procedures and held an engagement kickoff meeting with City management.
2. **Fact Finding:** Performed interviews and inquiries with key stakeholders, performed process walkthroughs and observations, and inspected documentation from selected samples.
3. **Analysis:** Compared circumstances against best practices.
4. **Reporting:** Presented findings and observations to City leadership to validate facts and confirm the practicality of recommendations.

The primary techniques used to conduct this internal audit included:

- **Document Review:** We obtained copies of relevant documentation for review. Examples of relevant documentation included, but were not limited to, the City's executed grant agreements, detailed ledgers of program revenues and expenditures, project budgets, project schedules, invoices and supporting documentation submitted to granting agencies, and grant tracking spreadsheets.
- **Interviews:** We conducted interviews and inquiries with stakeholders from departments to obtain an understanding of the grants management process at the City department level for the Arroyo Seco projects. Our interviews and inquiries included the following departments and individuals:

Finance Department

- Senior Accountants
- Principal Accountant
- Controller

Public Works Department

- Management Analyst IV
- Management Analyst V
- Principal Engineer
- City Engineer
- Director
- Administrator
- Project Managers



III. COMMENDATIONS

Although the focus of this internal audit was to identify opportunities for improvement, it is important to note the areas of commendable operations. The City should be commended for the following:

- **Receptiveness to Guidance:** During our interviews, there was a common theme regarding the desire to have documented guidance and training related to grant management and administration.
- **Desire to Have a Grant Expert:** A new Public Works Analyst position, specific to grant management, was planned to be filled in the near future. Employees had favorable opinions of adding someone with grant expertise to help manage and oversee the grant process within the department.

We would like to thank City staff and management for their willingness to assist us in this internal audit process.



IV. FINDINGS AND RECOMMENDATIONS

1	Finding	Public Works does not have comprehensive written grant administration policies and procedures (P&Ps) and there is not a City-wide P&P that covers all City departments/functions.
	Recommendation	Develop and implement comprehensive grant administration P&Ps (specifically for Public Works and City-wide) to provide guidance to personnel responsible for managing grants on the City's behalf.

Communication is an essential component of a comprehensive framework of internal controls. One method of communication that is particularly effective for controls over grant administration and management is the formal documentation of P&Ps. A well-designed and properly maintained system of documenting P&Ps enhances both accountability and consistency and captures institutional knowledge of current employees to protect the City in the event of turnover.

To strengthen internal controls, the City should develop a grants administration P&P addressing the following:

- Defined roles and responsibilities for the grant/program administrators, Finance Department, the City Manager, City Council, and others involved in the application, management, and close out processes
- Policy language reflecting current City requirements for internal processes (e.g., approval thresholds, routing requirements, invoicing, and budgeting)
- Required communications and approvals, at the various levels of management, throughout the life of a grant (e.g., application process, grant award/acceptance, and grant close-out)
- Guidance for grant compliance requirements and procedures to promote consistent adherence including:
 - *Allowable Activities and Allowable Costs:* Provisions and criteria that dictate how grant funds can be spent
 - *Cash Management:* Requirements for identifying provisions and criteria related to reimbursement of costs or advance payments
 - *Eligibility:* Guidelines for identifying eligibility requirements of the specific program/project
 - *Equipment/Real Property Management:* Guidelines for identifying charge requirements related to the sale, use, lease, or lease renewal of real property acquired with grant funds
 - *Matching, Level of Effort, Earmarking:* Provisions that require a share of costs or a matching of funds from sources other than the grant
 - *Period of Performance:* Guidelines to ensure funding for grants are expended within the period specified by the grant
 - *Procurement/Suspension and Debarment:* Requirements that restrict the use of grant funds with certain parties that are debarred, suspended, or otherwise excluded from doing business with the City
 - *Program Income:* Treatment of income generated from grant program



- *Reporting:* External, financial, and programmatic reporting requirements for the grant as well as internal reporting requirements at various phases/intervals of the grant (e.g., grant setup, periodic monthly or quarterly reporting intervals, fiscal year-end, grant close-out)
- *Subrecipient Monitoring:* The establishment of monitoring activities and reporting requirements for subrecipients when the City is a pass-through of grant funds
- *Special Tests and Provisions:* Any specific provisions or requirements that must be fulfilled under the terms of the grant award
- Internal procedures to be performed as part of the year-end process
- Internal and external procedures for ensuring the appropriate close-out of grant programs pursuant to their requirements
- References to resources, such as 2 CFR Part 200 and OMB compliance supplements, for additional federal guidance and other granting agency guidance related to state or local grants
- Internal reporting requirements at various phases/intervals of the grant (e.g., grant setup, periodic monthly or quarterly reporting intervals, fiscal year-end, grant close-out)
- Implementation of standardized forms for internal tracking and control
- Document storage location requirements (see Finding No. 4 for more information)

These P&Ps should be developed specifically for Public Works, or City-wide, ensuring that all departments and programs are addressed. After developing grant administration P&Ps, all individuals involved in the grant management function and the administration of grant programs should receive training.

2	Finding	The City does not provide training regarding grant management processes to educate and guide employees through all aspects of grant compliance and overall grant management.
	Recommendation	Create a grant management and administration training program to provide in-depth guidance for employees involved in grant functions. Training should cover all aspects of the planned Grant Administration P&Ps to give employees the tools to ensure compliance.

City employees indicated that they did not receive training on grants management and they would benefit from training on MUNIS system capabilities and functions related to grant management and budgets. Currently, program employees request expense and budget information from the MUNIS system and then use that information to populate project tracking spreadsheets that they have developed. Most employees, including the analysts that fulfill report requests for the programs, are unaware of the timing of system allocations, which can affect the accuracy of the financial information they are relying on. Additionally, employees are unfamiliar with all the reports that can be generated. Providing information on report options could reduce redundancy and potential errors in the project tracking process.

After the development of the Grant Administration P&Ps, a comprehensive training program should be developed covering all key requirements, responsibilities, and procedures. MUNIS capabilities, including reporting functions, expense and budget tracking, and other tools, should be addressed to educate employees on the system and create efficiencies in grant management. The training should



incorporate additional tools for employees, such as checklists and frequently asked questions (FAQs) to reference when guidance is needed for certain tasks (applying for, invoicing, or closing out grants).

3	Finding	The City's current document retention policy has not prevented the destruction of records that support grant compliance requirements and grant expenditures prior to the close out or expiration of grants.
	Recommendation	Revise the document retention policy to require storage of records used to support grant compliance requirements and grant expenditures, as required by federal, state, and local governments, for a period equal to the date of final payment or claim, plus three years.

The City's Records Retention Schedule has a seven year holding period for grant related support documents. Most grants have an audit clause providing for access to grant records from the date of closure, final payment, or last claim, plus three years. Many of the City's open grants have existed for over seven years; therefore, records necessary to support an audit or inquiry by the granting agency are no longer available. This may have adverse effects on the reimbursement of expenses or ability to obtain additional funds from the granting agency.

The Finance Department should work with the City Clerk's Office to update the Records Retention Schedule, and the related policy, if applicable, to incorporate the variable retention period for grant related support files.

4	Finding	Inefficient workflows exist because project managers rely on self-maintained spreadsheets rather than utilizing the MUNIS system or other resources to manage grants.
	Recommendation	Reassess the feasibility of implementing the Grant Accounting Module within the MUNIS system or research other grants management systems available. Based on the assessments, select and implement a system for tracking and monitoring grants consistently across the City.

Project managers are not utilizing MUNIS for the purpose of grants management, because the value of the system is not fully understood by employees outside of the Finance Department. As a result, many project managers rely heavily on self-maintained spreadsheets and manual processes to monitor program activities and financial information. Not utilizing the automated workflows, which are common in an ERP system, decreases operating efficiency because employee time is spent performing data entry and validity checks using spreadsheets.

To promote efficient workflows and provide a single location to review grant activity, the City should reassess the feasibility of implementing either:

- The MUNIS Grant Accounting Module, which is used for tracking, monitoring, and reporting grant activities. The module can also be used to send notifications or alerts related to payments and work schedules to prevent missing deadlines.
- Another available grant management system that would allow the City to manage workflow processes, track projects, budget, and import financial transactions from the accounting system.



Additionally, due to the decentralized nature of the City’s grants management process, grant files are stored in various locations, typically within the department managing the grant. Creating a central storage area on City servers for grant files would minimize the risk of data loss (grants have variable retention periods) and allow the files to be backed up in accordance with established schedules.

5	Finding	Communication between departments regarding the objectives, expectations, and responsibilities of the grants management process could be improved.
	Recommendation	Utilize documented P&Ps, employee training, internal memos, and other means to communicate between the various departments involved with grant management and administration.

In general, the Finance Department reported satisfaction with communication regarding grants from the various departments they interact with. However, there is inconsistency with communication methods for new grants, resulting in inefficiencies. For instance, some program managers provide notification at the time of grant acceptance while others wait until the first invoice related to the grant needs to be paid. A delay in notification can result in the budget not being setup in the system until an expense needs to be paid and/or funds not being appropriated because a budget has not been established. When the new payroll system is implemented, it will deny processing paychecks if time is charged to a grant account that has not been setup. The need for timely setup notification will be vital.

In addition, there is often a delay in communicating when grants are closed out, which delays in cleaning up grant accounts in the system. Standard communication expectations should be established to allow for a consistent means of setting up and closing out grants. Timelines for communication should be established during the development of the grant administration P&Ps (see Finding No.1).

6	Finding	Grant billings related to Public Works are not submitted for reimbursement of costs incurred in a timely manner.
	Recommendation	Develop requirements for the frequency of grant billing submittals and monitor and enforce compliance with those requirements. Identify grants that currently have unreimbursed expenditures and submit related billings to get all grants current.

Grant billings for projects in the Arroyo Seco area, primarily those funded by the Capital Improvement Program, are infrequent and untimely. For cost reimbursement grants, the City must first utilize internal funds to cover grant related expenditures before reimbursement is submitted. Most Arroyo Seco grant agreements contain a provision for monthly billing; however, this is not occurring. If grant billing is not performed timely, the City could experience cash flow problems, the inability to utilize City funds for other needs, and inefficient billing activities (the invoices included are typically old and require research). After the City identified delayed billings in fiscal year 2016, employees stated that an initiative to bill more timely was implemented; however, based on the results described below, there are improvements that can be made to make the initiative more effective.



We evaluated all six Arroyo Seco grant billings processed in fiscal year 2016 (totaling approximately \$700,000) and nine of the 17 processed in fiscal years 2018 and 2019 (totaling approximately \$2.3 million, 65% of the total billed) and found that there had not been significant improvement.

1. Fiscal Year 2016:
 - a. Three bills related to environmental enhancement and mitigation (EEM) projects were for costs incurred over a five- to seven-year period. In reviewing the total billings for the EEM projects over the project lifespans, only two bills total were submitted.
 - b. Three bills for other projects (Muir High School Field Renovation, Eastside Neighborhood, and JPL Connector Trail project) were for costs incurred within the prior two to five months.
2. Fiscal Years 2018 – 2019:
 - a. Five bills were for costs incurred within the previous 12 months.
 - b. Four bills were for costs incurred between 18 months and nine years prior.

Based on the above results, the initiative to process grant billings more timely did not result in more regular billings. To maintain adequate cash flow, Public Works, or those in charge of grant billings, should allow for the City’s cash to be effectively utilized and permit efficient billing processes. Quarterly or periodic grant billing should be implemented and enforced. A billing schedule showing the grant contract billing intervals for each new and open grant should be maintained and when grant expenditures in any given month exceed a designated threshold, reimbursement should be sought.

The Finance Department should work with individual departments to perform a billing catch-up on all open grants to get all billings current. This can be done by comparing cost incurred and costs billed to date. The Finance Department and Public Works employees involved in grant management should meet on a regular basis to facilitate an effective and efficient billing process.

7	Finding	A process is not in place at Public Works to review all expenses charged to grants ensuring that they are allowable based on the grant requirements. Project managers are not fully aware of specific allowable and unallowable costs for each grant.
	Recommendation	A formal process should be developed for the evaluation of expenses to determine if they are considered allowable based on the specific grant they are being applied to. The responsibility for this evaluation, and the related documentation requirements, should be documented in the Grant Administration P&P. Program managers should be trained on how to ensure compliance.

As described in Finding No 1, there are no documented Public Works or City-wide P&Ps for processing and reviewing invoices, including the evaluation of allowable cost in compliance with grant requirements. As a result, some Public Works employees were not aware of specific allowable and unallowable costs for each grant. The invoices we assessed did not have any evidence of an internal review to determine if costs were allowable. Public Works typically receives local and state grants and did not have an extensive list of unallowable costs associated with federal grants, which are subject to 2 CFR 200 Part E Cost Principles, decreasing the associated risk. However, the City would benefit from a standard City-wide grant expense review process that includes assignment of responsibility for



evaluations. This process could be tailored for the types of grants Public Works receives and include a standard process for documenting that the evaluation was performed.

8	Finding	Public Works has made a lot of progress related to grant/project monitoring and reporting. However, there is not a City-wide comprehensive reporting and monitoring tool in place to alert management when project delays could result in the expiration/loss of grant funds.
	Recommendation	Develop a City-wide comprehensive tracking report and related procedures to track all open grant-funded projects, including their current status, percentage of completion, milestones, deadlines, grant expiration date, expenditures to date, and remaining funds. Project managers should be required to populate this information on a regular basis and monitoring should occur to ensure delays are identified and addressed timely.

We assessed the various reports and schedules utilized by Public Works employees to manage grant project deadlines, milestones, and expirations. While Public Works has made a lot of progress on developing a consolidated reporting and monitoring tool, there currently isn't a City-wide report or schedule that provides an adequate alert when a project is in danger of missing a deadline, milestone, or nearing grant expiration. There were a variety of methods developed by Public Works to track projects; however, a consolidated report would be more effective and could be implemented City-wide. Consider the following in developing this tracking report:

- Develop a summary level report that includes all open projects.
- Utilize a simple system to readily show a red, yellow, or green graphic that alerts readers to the projects that are in danger of missing grant milestones or deadlines.
- Consider utilizing aspects of the current project schedule and budget spreadsheets.
- Include columns for actual chronological status, including the percentage of grant period expired and an estimated percentage of completion. For example, a project may be 50% into the time allotted for the grant, but only 30% of the related project work has been completed.
- Include columns summarizing the financial status of the project, including the percentage of budget utilized to date, the estimate to complete, and expected overage/shortage. For example, a project may have incurred 50% of the expenses, but due to certain labor price fluctuations, it will take 110% of budget to complete.

The report should be updated periodically, disseminated to all stakeholders, and discussed at project status meetings. A formal, proactive process should be developed for addressing expected delays identified or deadlines approaching, rather than taking a reactive approach after the deadline is missed or the grant has expired. Refer to Appendix A for an example of the recommended template described above.

Additionally, when the design and construction for a project is performed outside of Public Works, there is no project schedule created. The Project Manager relies on the third-party's project schedule. Consider importing third-party schedules into the consolidated tracking tool so the grant based deadlines can be tracked in the same manner as other projects.



APPENDIX A. GRANT TRACKING TOOL EXAMPLE

Project Name	Number	Financial Status of Project					Funding Billed/Available				Grant or Milestone Analysis					
		Total Budgeted Cost of Project	Total Expenditures Incurred to Date	Percent Incurred to Date	Estimate of Expenditures to Complete	Expected Overage/Shortage	Grant Source	Total Available	Funding Billed	Funding Remaining	Grant or Milestone Expiration Date	Days Remaining Until Expiration	% of Days Lapsed	Estimated Days to Complete (EDC)	Days Under/(Over)	Percent EDC to Grant Expiration
Grant Project A	123456	\$	\$	%	\$	%	ABC	\$	\$	\$	dd/mm/yy	#	%	#	#	%
							DEF	\$	\$	\$	dd/mm/yy	#	%	#	#	%
							GHI	\$	\$	\$	dd/mm/yy	#	%	#	#	%



APPENDIX B. CORRECTIVE ACTION PLAN – GRANTS MANAGEMENT AUDIT

RECOM. NO.	RESPONSIBLE DEPARTMENT(S)	DESCRIPTION OF FINDING/RECOMMENDATION	PROPOSED CORRECTIVE ACTION	DATE CORRECTIVE ACTION WILL BE COMPLETED
1a.	Public Works	Develop and implement comprehensive grant administration P&Ps (specifically for Public Works and City-wide) to provide guidance to personnel responsible for managing grants on the City's behalf.	Public Works will participate in the development of the Citywide grant administration P&Ps and will ensure the Citywide P&Ps include unique specifications to PW.	Draft - April 30, 2020 Final – May 29, 2020
1b.	Finance	Develop and implement comprehensive grant administration P&Ps (specifically for Public Works and City-wide) to provide guidance to personnel responsible for managing grants on the City's behalf.	Finance will develop and implement City- wide P&Ps that will include Department specific guidance where unique guidance is required for certain departments, including Public Works.	Draft - April 30, 2020 Final – May 29, 2020
2	Finance	Create a grant management and administration training program to provide in-depth guidance for employees involved in grant functions. Training should cover all aspects of the new Grant Administration P&Ps to give employees the tools to ensure compliance.	In conjunction with new P&Ps Finance will facilitate training for all employees involved in grant functions.	July 30, 2020
3	City Clerk	Revise the document retention policy to require storage of records used to support grant compliance requirements and grant expenditures as required by federal, state, and local governments for a period equal to the date of final payment or claim, plus three years.	The City Clerk's Office agrees and proposes the following clarifying language for grant records retention: Grant records used to support grant compliance requirements and grant expenditures, including supporting documentation such as payroll records, shall be stored and maintained for a period of 3 years following the date of final payment or	



RECOM. NO.	RESPONSIBLE DEPARTMENT(S)	DESCRIPTION OF FINDING/RECOMMENDATION	PROPOSED CORRECTIVE ACTION	DATE CORRECTIVE ACTION WILL BE COMPLETED
			<p>claim associated with the grant. Such records shall be maintained in a centralized location, with required documents to be scanned and stored on the City's Enterprise Content Management System under the "Grant Files" library to ensure easy retrieval and production for auditing purposes and records retention. In addition, and after further review of the entire draft report regarding the Grants Management Internal Audit Findings, the City Clerk's Office has determined that there are other areas that the Records Management Division can act upon. Following is a proposed work plan to improve how grant records are inventoried, appraised and ultimately retained for records retention purposes:</p> <ol style="list-style-type: none">1. The Records Management Division and the City Auditing Office shall meet with Finance Department to present newly adopted records retention policies for grant documents and implement appropriate retention practices in compliance with the City Auditor's recommendations.2. The Records Management Division shall attend and actively participate in future meetings related to grants management and records storage and retention for grants.3. The Records Management Division shall review all existing departmental retention schedules that contain grant records to identify affected departments, and in collaboration with the City Auditing Office	<p>March 2020</p> <p>May 2020</p> <p>May 2020</p>



RECOM. NO.	RESPONSIBLE DEPARTMENT(S)	DESCRIPTION OF FINDING/RECOMMENDATION	PROPOSED CORRECTIVE ACTION	DATE CORRECTIVE ACTION WILL BE COMPLETED
			and the Finance Department, shall present updated records retention policies and implement appropriate retention practices at the department level to ensure compliance with grant requirements. 4. The Records Management Division shall assist as needed during the update of the Citywide Records Management program to make any necessary changes to incorporate newly adopted Grant Management policies and recommendations related to records retention requirements.	November 2020
4	Finance	Reassess the feasibility of implementing the Grant Accounting Module within the MUNIS system, or research other grants management systems available. Based on the assessments, select and implement a system for tracking and monitoring grants consistently across the City.	Finance will reassess the feasibility of implementing the Munis Grant Accounting Module. If it is not a viable solution, Finance will explore other alternatives.	March 31, 2020
5	Finance	Utilize documented P&Ps, employee training, internal memos, and other means to communicate throughout the various departments involved with grant management and administration.	This would be part of the documented process called for by the new P&Ps.	July 30, 2020
6a	Public Works	Develop requirements for the frequency that grant billing submittals must occur and monitor and enforce compliance with those requirements. A clean-up for grants that currently have unreimbursed expenditures	The Public Works Department will seek reimbursement quarterly or as soon as unreimbursed expenditures reach \$300,000 unless otherwise required by the granting agency. In addition, final grant billing for reimbursement will be submitted within 30	Immediately



RECOM. NO.	RESPONSIBLE DEPARTMENT(S)	DESCRIPTION OF FINDING/RECOMMENDATION	PROPOSED CORRECTIVE ACTION	DATE CORRECTIVE ACTION WILL BE COMPLETED
		should be performed, and related billings should be submitted to get all grants current.	days of the Notice of Completion being filed and the final invoice being paid.	
6b	Finance	Develop requirements for the frequency that grant billing submittals must occur and monitor and enforce compliance with those requirements. A clean-up for grants that currently have unreimbursed expenditures should be performed, and related billings should be submitted to get all grants current.	This would be part of the documented process called for by the new P&Ps in addition to the current activities to monitor and enforce compliance with grant agreements.	May 29, 2020
7	Public Works	A formal process should be developed for the evaluation of expenses to determine if they are considered allowable based on the specific grant they are being applied to. The responsibility for this evaluation, and the related documentation requirements, should be documented in the Grant Administration P&P. Program managers should be trained on how to ensure compliance.	Public Works will develop and implement a procedure for evaluating each grants awarded to the City to ensure project managers fully understand the grant requirements which will include but is not limited to allowable expenditures.	January 31, 2020
8	Finance	Develop a City-wide comprehensive tracking report and related procedures to track all open grant-funded projects including their current status, percentage of completion, milestones, deadlines, grant expiration date, expenditures to date, and remaining funds. Project managers should be required to populate this information on a regular basis, and monitoring should occur to ensure delays are identified and addressed timely.	This will be accomplished either as reporting tools of the Munis Grant Accounting Module, another grant accounting module, or a database maintained by Finance which will include the stated and needed information.	July 30, 2020

