



April 14, 2016

Mr. Steve Mermell  
Interim City Manager  
City of Pasadena  
100 Garfield Ave  
Pasadena, CA 91109

**RE: Sub-Recipient Risk Assessment Monitoring**

Dear Mr. Mermell: *Steve*

On behalf of the Southern California Association of Governments (SCAG), I would like to bring to your attention findings that were reviewed as a part of our regular Sub-recipient Monitoring procedures for the Pasadena Transit Internship Program.

In March 2016 a review of your FY15 SAR was conducted resulting in a temporary high risk status being placed on your agency. Please find the results of our review below:

- Invoicing: MOU requires invoices to be submitted monthly and we have received one invoice for all of FY15 combined
- SAR findings related to accounting procedures i.e. lack of separation between purchasing and invoicing
- Page 8 of your single audit report: the CFDA number for the program for which we pass through funds is 20.205 and we show the CFDA number to be 20.505.

Please correct the CFDA number for the program and kindly provide documentation that it has been corrected by Friday, April 29, 2016.

The city of Pasadena will be placed on high risk status for one year pending review of FY16 Single Audit Report. We are committed to addressing these issues and ensuring the City of Pasadena continues to have a strong partnership with SCAG. Should you need any assistance please feel free to contact Karen Aceves at (213) 236-1921 or by email at [aceves@scag.ca.gov](mailto:aceves@scag.ca.gov).

Best Regards,

A handwritten signature in black ink, appearing to read 'Hasan Ikhrata'.

Hasan Ikhrata  
Executive Director

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OFFICE OF THE CITY MANAGER

May 31, 2016

Ms. Karen Aceves  
Southern California Association of Governments  
818 West Seventh Street, 12th Floor  
Los Angeles, CA 90017-3435

Dear Ms. Aceves:

As a follow up to the letter sent to the City of Pasadena per the Southern California Association of Governments (SCAG) Sub-recipient Monitoring findings for the Pasadena Transit Internship Program, the City's auditor for the Single Audit Report (SAR) has been notified regarding changing the CFDA number from what was reflected in the FY15 SAR to be 20.505. Subsequently, the CFDA number has been corrected on the Single Audit Master List and will be reflected accordingly in the FY16 SAR as 20.505.

With regard to the concern about monthly invoicing, please note that administrative controls have been put in place to ensure monthly submission of the grant program invoices.

Furthermore, the concerns raised in the SAR regarding the lack of separation between purchasing and invoicing in the City's Undergrounding Reimbursement Program were corrected in 2014. Monitoring has been in place since then to ensure that such separation of duties remains in force.

If you have any questions or concerns regarding implementation of the Pasadena Transit Internship Program, please feel free to contact the Project Manager, Sebastian Hernandez, at (626) 744-7661 or by email at [shernandez@cityofpasadena.net](mailto:shernandez@cityofpasadena.net).

Ms. Karen Aceves

May 31, 2016

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We appreciate our partnership with SCAG and hope that the measures noted above will sufficiently address the issues identified.

Sincerely,

A handwritten signature in blue ink, appearing to read "SM", is positioned above the typed name.

Steve Mermell  
Interim City Manager

SM:vg

cc: Hasan Ikhata, Executive Director, SCAG  
Fred Dock, Transportation Director, City of Pasadena  
Ruthe Holden, Internal Audit Manager, City of Pasadena  
Sebastian Hernandez, Senior Planner, City of Pasadena