


<p>Date: November 14, 2019</p> <p>To: Jolita Lazauskas, Acting Director, Department of Management, Budget & Grants</p> <p>From: Craig Trujillo, CPA, Chief Auditor</p> <p>Tele: Office: 860-757-9952 Cell: 860-422-3600</p>		<p>City of Hartford Department of Management, Budget & Grants Grant Administration Operations Report 2005</p>
<p>EXECUTIVE SUMMARY</p> <p>In accordance with our audit plan for the fiscal year ending June 30, 2020, we completed an audit in October 2019 of the accounts and operations of the City of Hartford Department of Management, Budget & Grants (MB&G) Grants Administration Accounts and Operations. The purpose of the audit was to evaluate and test internal accounting and operating controls, the accuracy and propriety of transactions processed, the degree of compliance with established operating policy and procedures, and to recommend improvements where required. The results of our examination were reviewed with J. Lazauskas, Acting Director, Department of MB&G; J. Barere, Director, Office of Central Grants Administration; and, other responsible members of operating management. The summary that follows includes only exceptions disclosed and recommended operating improvements. For each reported item, management agreed to implement our recommendations or take other appropriate corrective action unless specifically indicated otherwise. Included are management's actions taken or planned, including timeframes to resolve each finding and/or recommendation in this report. In general, we found that Grants Administration operations are operating effectively and efficiently. We thank MB&G management and staff for their cooperation and courtesies extended to us during our audit.</p>		
<p>BACKGROUND</p> <p>The Central Grants Administration Division (CGAD) of the MB&G is responsible for the City of Hartford's process for monitoring and reporting on existing grants and seeking new grants in order to provide programs and services to the community while maximizing and diversifying sources of revenue. CGAD staff administers fiscal oversight for entitlement programs and other grants awarded to more than 80 community-based organizations, non-profit agencies and city departments and receives and processes revenue from a number of sources. CGAD also ensures funds are used appropriately in accordance with stringent local, state and federal regulations. Budgeted grant revenue for the fiscal year ending June 30, 2020 totaled approximately \$130.4 million. CGAD had two full-time employees and a General Fund budget of \$209,734 for the fiscal year ending June 30, 2020. CGAD also has three full-time employees funded by Federal sources.</p>	<p>SCOPE</p> <p>The scope of our audit included various tests of expenditures that were reimbursed by grant revenues recorded in MUNIS for the fiscal years ending June 30, 2019 and 2020. The following audit procedures were performed:</p> <ul style="list-style-type: none"> • Reviews and evaluations of policies, procedures and related internal operating and accounting controls; • Examinations of grant agreements and supporting documentation; • Reviews and tests of grant expenditures and revenues; and, • Reviews and tests of the departmental grant voucher request and payment process. 	

City of Hartford
Department of Management, Budget & Grants
Grant Administration Operations

Issue Statement	Management Action Plans
<p><u>Issue</u> Procedures for the administration of key grants performed by various City departments were not documented in written form.</p> <p><u>Cause</u> Resources were not allocated to document procedures in writing.</p> <p><u>Effect</u> The process for accounting for reimbursable grant related transactions may be lost during an employee transition phase (i.e. retirement, termination, etc.).</p> <p><u>Recommendation</u> We recommend MB&G management recirculate their CGAD general policies and procedures to all City departments. MB&G management should coordinate with all grant administrators to document their respective processes in written form.</p>	<p>Due Date: July 31, 2020</p> <p>Responsible Person: Joan Barere, Director, Office of Central Grants Administration; Jolita Lazauskas, Acting Director, Department of MB&G</p> <p>Management Response: Grants administration procedures vary depending on the requirements of specific grants, and procedures are in place to administer all grants. However, MB&G management and CGAD are in agreement with the recommendation to recirculate CGAD policies and procedures to all City departments, and in addition will coordinate with grant administrators to document their procedures in written form.</p> <p>The most recent revision of the CGAD policies and procedures dates to November, 2016. Though the fundamentals of the process for setting up a grant cost center and administering it are largely unchanged, some details and many of the required forms have been updated and/or replaced. In addition, many of the provisions of the 2016 document may be superseded by next July due to the City's forthcoming adoption of a new five-year Consolidated Plan, required by and to be reviewed by U.S. HUD and approved by July 31, 2020 (projected date). Simultaneously, CGAD is engaged in an internal planning process to create a "grants vault," supporting all the grant seeking and grant administration activities of the departments, which also is likely to affect the content of existing policies and procedures, and will be completed by the end of FY20.</p> <p>For these reasons, CGAD requests the due date for responsive action be extended to July 31, 2020, to allow for updating of the policies and procedures consistent with the final, HUD-approved version of the City's Consolidated Plan.</p>

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Issue Statement	Management Action Plans
<p><u>Issue</u> We noted that the administering of the Ryan White grant was being performed; however, the grant accounting files were maintained on the employee's hard drive, instead of a secure network drive.</p> <p><u>Cause</u> The employee's department does not use a shared network drive to store these financial grant accounting files.</p> <p><u>Effect</u> The grant accounting files are not secure and backed up on a network drive, which could lead to a loss of all the data.</p> <p><u>Recommendation</u> We recommend that MB&G management maintain the grant files on a network drive or the City's cloud system.</p>	<p>Due Date: July 31, 2020</p> <p>Responsible Person: Joan Barere, Director, Office of Central Grants Administration; Jolita Lazauskas, Acting Director, Department of MB&G</p> <p>Management Response: The City's cloud system did not exist in 2014, when current CGAD policies and procedures were first written, and MB&G management and CGAD are in full agreement that these policies should require backup on the cloud system.</p> <p>As this will require a revision to current CGAD policies and procedures, CGAD requests the due date for responsive action be extended to July 31, 2020, to allow documentation of new policies and procedures to be consistent in all respects with other CGAD documentation (see prior Management Response).</p>

City of Hartford
Department of Management, Budget & Grants
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