



CONSENT CALENDAR

Office of the City Auditor

May 22, 2001

TO: Honorable Mayor and
Members of the City Council

FROM: Ann-Marie Hogan, City Auditor

Subject: CIVIC CENTER BUILDING GRANT AUDIT

RECOMMENDATION:

That Council request the City Manager to implement the recommendations contained in the attached report by September 30, 2001 and report back to Council by October 25, 2001 regarding progress made in implementing the auditor's recommendations.

BACKGROUND:

Nothing came to our attention during the audit that we believe would cause the City to receive less than the full \$16.8 million in Hazard Mitigation Grant Program funding for the seismic retrofit of the Civic Center Building. Additionally, no concerns arose regarding the authorization and support documentation for the expenditures reviewed. However, we did note one matter that could be a concern to the FEMA auditors. We also found areas where current procedures could be improved.

The audit recommends:

- That Capital Improvement Projects submit expenditure reimbursement requests for the seismic retrofit of the Civic Center Building, and other million dollar projects, more frequently. For the Civic Center Building seismic retrofit project, more frequent requests would have saved (or earned) the City tens of thousands of dollars in lost interest cost in one year.
- That Capital Improvement Projects establish and implement written policies and procedures aimed at improving efforts to identify and exclude unallowable expenditures from grant reimbursements. Lack of such a procedure could be a concern to FEMA auditors.
- That Capital Improvement Projects periodically compare project information in FUNDS\$ (general ledger) with project funding and expenditure projection information (budget monitoring tool). This will allow a means for significant inaccuracies or omissions to be identified and corrected.

- That Finance and Capital Improvement Projects improve the accuracy and content of the Quarterly Grant Report to the City Manager so that it better serves its intended purpose of enabling oversight over citywide grants billing.

FINANCIAL IMPLICATIONS:

More frequent submission of expenditure reimbursement requests for large grants will result in the City saving (or earning) a significant amount of money each year.

CONTACT PERSON:

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Approved by:

Ann-Marie Hogan, City Auditor
Office of the City Auditor