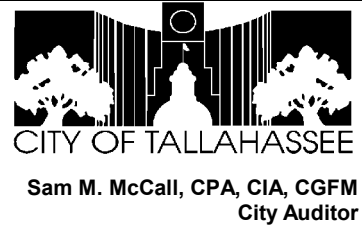


Final Audit Follow up

As of March 31, 2002



“Housing and Human Services Contract Monitoring”

(Report #0118, Issued March 8, 2001)

Report #0219

May 21, 2002

Summary

The Housing and Economic Development (Housing) and Human Services divisions of the Neighborhood and Community Services (NCS) Department have completed almost all of the action plan steps identified in our previously issued report #0118, issued in March of 2001.

In audit report #0118, we identified areas that Housing and Human Services could improve to provide increased assurance that sub-recipients are expending federal, state, and City funds in accordance with program guidelines. Our audit was made at the request of NCS for the purpose of increasing staff efficiency and effectiveness in monitoring sub-recipients.

The Human Services division has drafted policies and procedures for monitoring sub-recipients in concert with Leon County. The policies and procedures will be used to review, approve, and monitor grants for FY 2002-2003. Human Services has also increased the frequency of periodic on-site visits to sub-recipient organizations to assess contract compliance. The Housing and Human Services divisions have also developed procedures for staff training in monitoring activities and based their monitoring activity on an assessment of the sub-recipient’s risk management, control, and governance.

Scope, Objectives, and Methodology

The audit and this subsequent follow up were conducted in accordance with generally accepted government auditing standards, and accordingly included such tests of the records and other auditing procedures as were considered necessary.

Report #0118

The scope of Report #0118 was a review of the Housing and Human Services contract monitoring policies and procedures. The primary objectives of the audit were to determine whether:

- The Housing and Human Services divisions within NCS complied with applicable federal requirements;
- The Housing and Human Services divisions established and implemented monitoring policies and procedures and maintained adequate documentation to support the granting of funds to the agencies; and
- Sub-recipients receiving Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), State Housing Initiative Partnership (SHIP), and City general funds are being adequately monitored by the NCS department.

Report #0219

This audit follow up focuses on the action plan steps that Housing and Human Services have implemented. We reviewed the documentation provided by Housing and Human Services.

Previous Conditions and Current Status

In Report #0118, the primary purpose was to evaluate the fiscal and program-monitoring processes of the Housing and Human Services divisions of the Neighborhood and Community Services (NCS) Department for organizations receiving grant funding.

Our review was made at the request of NCS to help identify areas for increased staff efficiency and effectiveness in the performance of their sub-recipient monitoring responsibilities. As of May 3, 2002, the Housing and Human Services divisions have completed almost all of the action plan tasks in response to audit report #0118. (See Table 1.)

**Table 1
Conditions Identified in Report #0118 and Current Status**

Previous Conditions	Current Status
To finalize and implement monitoring policies and procedures to support the granting of funds to sub-recipient organizations	
<ul style="list-style-type: none"> • Develop and finalize monitoring policies and procedures to address risk analysis; monitoring and self-monitoring checklists; and procedures for retaining the monitoring checklists. 	<ul style="list-style-type: none"> ◇ Draft policies and procedures have been developed and will be implemented during FY 2002-2003 grant review, approval, and monitoring period.
<ul style="list-style-type: none"> • Communicate and train staff in contract management practices. 	
To conduct monitoring of sub-recipients	
<ul style="list-style-type: none"> • Perform on-site monitoring of sub-recipients in accordance with the monitoring plan. 	<ul style="list-style-type: none"> ✓ Both the Housing and Human Services divisions have established monitoring plans and conducted on-site visits of sub-recipients.
To ensure that applicable federal requirements are followed	
<ul style="list-style-type: none"> • Develop a process to review and follow-up on sub-recipient audit report findings. 	<ul style="list-style-type: none"> ✓ The draft policies and procedures contain four steps to review and follow up on sub-recipient audit findings.

Table Legend: ● Issue addressed in the original audi ◇ Issue addressed and in process ✓ Issue addressed and resolved

We appreciate the cooperation of the staff of the Housing and Human Services divisions and the assistance provided to us in this Audit Follow Up.

Appointed Official Response

City Manager:

I am pleased that Neighborhood and Community Services requested this audit and that they have implemented procedures to improve the monitoring process. We also appreciate the constructive suggestions provided by the audit staff during the audit and in the follow-up phase.

Copies of this Final Audit Follow Up or audit report #0118 may be obtained from the City Auditor’s web site (<http://talgov.com/citytlh/auditing/index.html>), via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (dooleym@talgov.com).

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