

**AGENDA SUMMARY PAGE**  
**AUDIT OVERSIGHT COMMITTEE MEETING OF: NOVEMBER 21, 2006**

**DEPARTMENT: CITY AUDITOR'S OFFICE**  
**DIRECTOR: RADFORD SNELDING**

Consent  Discussion

**SUBJECT:**

Discussion and possible action on Audit of Financial Services Grant Fiscal Administration (601-0607-06)

**Fiscal Impact**

- No Impact  Augmentation Required  
 Budget Funds Available

**Amount:**  
**Funding Source:**  
**Dept./Division:**

**PURPOSE/BACKGROUND:**

To review the Audit of Financial Services Grant Fiscal Administration with the Audit Oversight Committee.

This audit was part of the authorized Audit Plan FY 2006-2007.

**RECOMMENDATION:**

Approval.

**BACKUP DOCUMENTATION:**

1. Audit of Financial Services Grant Fiscal Administration (601-0607-06)
2. Submitted after meeting: Full PowerPoint Slides

**Minutes:**

Nancy Beaty reported on the Audit of Financial Services Grant Fiscal Administration and referenced a PowerPoint presentation which was submitted as backup. She briefly went over the background of the audit and stated the audit's objective and scope. While the audit found the City was providing adequate oversight for grant awards, she noted that federal guidelines exist for the reimbursement on indirect costs associated with federal grants. Currently, the City only requests reimbursement for direct costs and a commitment of agency resources would be needed to be pursued for reimbursement for indirect costs.

Mark Vincent, Director of Finance, agreed with the recommendations, but pointed out that the City does not get a significant amount of grant money. Any increased accounting costs would reduce the amount of available grant money. Mr. Vincent suggested that the City track indirect costs without charging that amount to the grants and explained the grants do not accommodate increases in indirect costs. He supported increased tracking as a way to evaluate grant programs with higher overhead.



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Mr. Snelding observed that reducing the amount of available grant money to pay for better accounting did not make sense. He also complimented the Finance Department for their excellent work on this issue. Mr. Vincent credited Patty Briganza for the work on the grant accounting audit.

Chairman Kern mentioned that he uses the City as an example of what can be accomplished with good auditing.

Vice-Chairman Brown commented that the media was not present to witness the City working on efficiencies and cleaning house, working on the areas where the City is most criticized.

In response to Vice-Chairman Brown's inquiry, Mr. Snelding explained that an estimation of the money saved by the City had not been done recently, but cautioned that some items have no monetary justification but are intrinsically important. Vice-Chairman Brown requested a breakdown of the savings by hard numbers, soft numbers and intrinsic value. Mr. Snelding agreed to provide that.

