

**A Report to the Galveston
City Council**

Mayor

Jim Yarbrough

Council Members

Tarris Woods

Dr. Craig Brown

Ralph McMorris

Norman Pappous

Terrilyn Tarlton

Carolyn Sunseri

City Auditor

Glenn Bulgherini, CPA

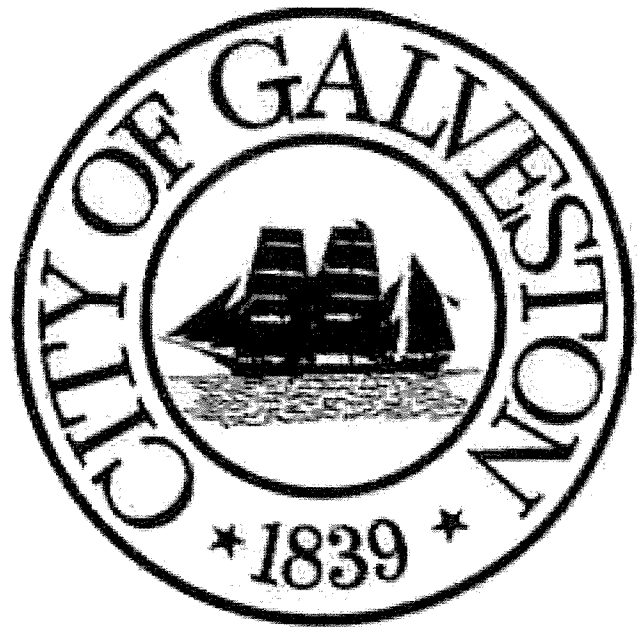
Auditor

Carrie Sumrall, CFE

Audit Report

System for Recording Grant Funds to Received Audit

August 16, 2013



Report Summary

The purpose of this report is to evaluate the effectiveness of the Finance Department's system for recording grant funds to be received. The City Auditor identified that the City would receive \$584,183 in revenue from Federal Transit Authority (FTA) Grant 5311. However this grant was not recorded in the City's 2013 general ledger or 2013 budget. The City Auditor also identified FTA Grant 5307 as recorded in the City's 2013 general ledger and 2013 budget as \$1,010,000 in revenue. However the City of Galveston will not receive FTA Grant 5307 in the amount of \$1,010,000. The City Auditor recommends that a system be put in place that will allow the Finance Department to receive accurate and timely financial information from all Grant Administrators within the City of Galveston



SYSTEM FOR RECORDING GRANT
FUNDS TO RECEIVED AUDIT

TABLE OF CONTENTS

PURPOSE.....	Page 1
SCOPE.....	Page 1
FIELDWORK PERFORMED.....	Page 1
SUMMARY OF RESULTS.....	Page 1
STAFF CONDUCT.....	Page 1
CITY AUDITOR'S RESPONSE.....	Page 1
AUDIT FINDING.....	Page 1
CITY MANAGER'S RESPONSE.....	Page 2

AUDIT TEAM

Glenn Bulgherini, CPA, City Auditor
Carrie Sumrall, CFE, Auditor

Office of the City Auditor
Galveston City Hall
Phone: 409-797-3692
Email: bulgheriniglen@cityofgalveston.org

City of Galveston
System for Recording Grant Funds to be Received
City Auditor Executive Summary

August 16, 2013

Purpose:

The purpose of this report is to evaluate the effectiveness of the Finance Department's system for recording grant funds to be received.

Scope:

The scope of this report is to determine if funds to be received as grant revenue are accurately and timely recorded in the City's general ledger and budget.

Fieldwork Performed:

The City Auditor reviewed five (5) different grant documents received for the 2013-2014 fiscal year. Each grant was analyzed to determine the amount of funds the City of Galveston would receive from that grant. These five (5) separate grant revenues were traced to the general ledger and budget for accuracy and timeliness.

Summary of Results:

The City Auditor identified that the City would receive \$584,183 in revenue from Federal Transit Authority (FTA) Grant 5311. However this grant was not recorded in the City's 2013 general ledger or 2013 budget.

The City Auditor also identified FTA Grant 5307 as recorded in the City's 2013 general ledger and 2013 budget as \$1,010,000 in revenue. However the City of Galveston will not receive FTA Grant 5307 in the amount of \$1,010,000.

Staff Conduct:

All current staff acted in a professional and timely manner.

City Auditor's Response:

The City Auditor recommends that a system be put in place that will allow the Finance Department to receive accurate and timely financial information from all Grant Administrators within the City of Galveston.

Audit Finding:

The City of Galveston does not have a policy in place that will require communication for accurate and timely financial information from all Grant Administrations within the City of Galveston.

City of Galveston
System for Recording Grant Funds to be Received
City Auditor Executive Summary

City Manager's Response

The City Manager has reviewed this report. Its findings and recommendation are reasonable and appropriate. Due to the effective date of this report being August of 2013, further discussions were held with the Auditor to validate the status of the issue. After discussions with the City Auditor, it is clear no further action is needed as process changes were implemented subsequent to the report date to address the issue.