

**City of Minneapolis  
Audit Committee**



**Grant Management Process Review**

**Report # 2012 – 01**

**Internal Audit Department  
March 28, 2011**

# Background



- Revenue from grants and contributions accounted for 10% of government-wide revenue in 2009 and 15% of government-wide revenue in 2010.
- Grant funds are a significant source of revenue for the City of Minneapolis (\$99M in 2009 and \$50M in 2010).
- Many grant awards are received through a highly competitive application process.
- All grant awards come with their own set of guidelines and requirements. Satisfying these requirements is critical to ensure the City's continued eligibility for future grant awards.

# Scope and Objective



## Objectives

To ensure that:

- Grant contracts are appropriately executed, managed effectively, and the terms and conditions are adhered to;
- Revenue is accurately and completely requested, collected, and deposited completely in a timely manner, and recorded in appropriate accounting books;
- Expenses are supported by appropriate documentation, allowable by the grant terms, and properly recorded in accounting books;
- Policies and procedures are current, being followed, and adequate to ensure compliance with grant terms and conditions;
- Special grant conditions are being followed; and
- Grant reporting is done as required and in a timely fashion.

## Scope

- This review included gaining an understanding of internal controls, including current policies and procedures, through observation, inquiry, and limited testing surrounding the processes listed above.
- We tested on a sample basis processes and transactions within the period January 1, 2010 through June 30, 2011.
- Grants previously audited by external sources (i.e. grantors) were not included within the scope of this review.

# Recommendations



- 1. COMPASS Functionality**
- 2. Debarred and Suspension List**
- 3. Citywide Application Procedures**
- 4. Grant Users Meeting**

# Conclusion



Based on our review, we believe there are opportunities for improvements that address risk areas identified in this report. City Departments involved in this review worked collaboratively with Internal Audit to develop action plans that effectively address these risk exposures.

IA would like to extend our appreciation to CPED, Finance, HFS, IGR, Police, Public Works, and Regulatory Services personnel who assisted and cooperated with us during the review.