



CITY OF DURHAM

Memorandum

To: Thomas Bonfield, City Manager
From: Germaine F. Brewington, Director of Audit Services
Date: April 29, 2011
Re: Transmittal of Subrecipient Grant Fund Monitoring Performance Audit (April 2011)

Executive Summary

The Department of Audit Services completed the report on the Subrecipient Grant Fund Monitoring Performance Audit dated April 2011. The purpose of the audit was: 1) to determine if the Department of Community Development (DCD) monitors subrecipient activities in accordance with OMB Circular A-133 compliance requirement M; and 2) to determine if the DCD monitors subrecipient activities in accordance with its internal policy "Grant Subrecipient Monitoring and Contract Management Procedures.

Background

The City of Durham passes through certain federal awards to subrecipients. The City is required to monitor these subrecipients to determine if they are administering the awards in accordance with the applicable federal compliance requirements. The DCD has also outlined their monitoring process in an internal policy. According to the policy the DCD will provide oversight of compliance and monitoring of CDBG, HOME, and ESG activities to ensure both short-term and long-term contract regulatory compliance in accordance with HUD guidelines. In addition, the policy directs the frequency and location of all monitoring visits while a subrecipient is funded.

Issues and Analysis

The attached report details the specific objectives, observations, recommendation and results of the audit. Management's response to the recommendation is included.

Recommendation

The Department of Audit Services recommends the City Council receive and accept the Subrecipient Grant Fund Monitoring Performance Audit (April 2011), as presented and approved at the April 25, 2011 meeting of the Audit Services Oversight Committee.

Attachment