



DATE: July 10, 2020
TO: Larry Davis, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: FY 19 Advanced Technology Grant Review
(No Response Required)

The Internal Audit Division has completed our review of the FY 19 Advanced Technology Grant administered by the Greensboro Transportation Department. Attached you will find our review report; the departmental response and our replies to their responses. We feel that our concerns have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas
Internal Audit Director

cc: Kimberly Sowell, Assistant City Manager
Johanna Cockburn, Director of Transportation
Bruce Adams, Public Transportation Manager
Cari Hopson, Grants Administrator



DATE: July 6, 2020

TO: Johanna Cockburn, Director of Transportation

FROM: Internal Audit Division

SUBJECT: FY 19 Advanced Technology Grant Review
(Response Required by July 20, 2020)

The Internal Audit Division has conducted a review of the FY 19 Advanced Technology Grant. The grant agreement was between the North Carolina Department of Transportation (NCDOT) and the City of Greensboro. The Public Transportation Grant Agreement for Advanced Technology Program was listed as NCDOT Project number 19-AT-105. The purpose of the agreement was noted as providing the undertaking of non-urbanized and small urban public transportation services. The expenditures on the grant occurred in the fiscal year ending June 30, 2019.

The objectives of our review were to:

- Obtain and review the grant agreement for guidelines and allowable expenditures.
- Review a sample of expenditures and verify that the expenditures have appropriate documentation and are within contractual guidelines. Obtain and review contracts with vendors, as necessary.
- Verify that the required reports are complete, accurate and submitted by the applicable deadlines.
- Verify amounts billed for grant reimbursements were calculated correctly and have been received.

Grant Agreement

We obtained the grant documentation from Cari Hopson, Grants Administrator with the Greensboro Department of Transportation, Public Transportation Division. The grant provided \$184,485.00 of funding and required a local match of \$20,499.00. The total projected budget was \$204,984.00 and the grant funded 90% of that cost. The period of performance was noted as July 1, 2018 to June 30, 2019. The grant agreement was dated December 20, 2018. The grant had been authorized by City Council on August 21, 2018.

The scope noted that the City of Greensboro will use the grant funds to purchase 4G/5G modems installed on GTA vehicles, allowing for purchase of mobile online ticketing and free Wi-Fi.

Expenditures

Total expenditures charged to this grant were \$185,679.39. We reviewed items that represented \$166,108.00 or 89.46% of expenditures charged to the grant.

We reviewed two invoices from Apollo Video Technology. Invoice 531378, dated October 17, 2018 had \$49,576.00 charged to the grant. Invoice 531782, dated November 12, 2018 had \$116,532.00 charged to the grant. Combined, the invoices contain 131 mobile communication systems for buses.

For both reviewed invoices, we verified items and rates to purchase orders and recalculated amounts on a test basis. We also attempted to verify that items appear to meet the grant guidelines. The reviewed invoices appear to have appropriate documentation and appear to be within contractual guidelines.

Reporting

Grant documentation stated that progress reports should be submitted to NCDOT at least quarterly for this project.

Finding:

Quarterly reports were not provided to NCDOT on this grant.

Recommendation:

The Department should submit the required progress reports on a quarterly basis for the Advanced Technology grants.

We reviewed the reimbursement request packet submitted to NCDOT on May 2, 2019. We reviewed the reports, verified mathematical accuracy on a test basis and agreed amounts to Lawson financial reports and grant documentation, as applicable. Expenditures submitted to NCDOT were overstated by \$10.00, which caused the reimbursement amount to be overstated by \$9.00.

Grant Reimbursements

The total amount of grant revenue was \$167,111.00. \$167,120.00 was received on June 5, 2019. We reviewed the Lawson cash receipt entry. We also agreed the amount received to the reimbursement request. As noted above, the reimbursement amount was overstated by \$9. This amount was refunded to NCDOT on June 12, 2019 with check number 417371. Final amounts appear properly calculated and received.

We would like to thank the staff of the Transportation Department for their assistance and cooperation during this review. Please provide a written response by July 20, 2020. If there are any questions concerning the details of this review, please call us at (336) 373-2230.



Garland Wells
Internal Auditor



Len Lucas
Internal Audit Director

cc: Larry Davis, Assistant City Manager
Kimberly Sowell, Assistant City Manager
Bruce Adams, Public Transportation Manager
Cari Hopson, Grants Administrator



MEMORANDUM

DATE: July 7, 2020
TO: Internal Audit Division
FROM: Hanna Cockburn, AICD *JHC*
Transportation Director
SUBJECT: **FY19 NCDOT Advanced Technology Grant
Written Response to Audit Findings**

- Finding
Quarterly reports were not provided to NCDOT for this grant.
- Recommendation
The Department should submit the required progress reports on a quarterly basis for the Advanced Technology grants.

GTA Response:

According to the executed agreement with the North Carolina Department of Transportation, Section 8(a):

The Grantee shall advise the Department, through EBS, regarding the progress of the Project at a minimum quarterly, and at such time and in such a manner as the Department may require. Such reporting and documentation may include, but not be limited to: operating statistics, equipment usage, meetings, progress reports, and monthly performance reports.

Expenditures for NCDOT Advanced Technology grants are generally charged within a single quarter. Past practice has been to file one final claim with NCDOT. Future claims will be entered quarterly into the NCDOT Enterprise Business System (EBS) for active Advanced Technology grants with a progress report attached, regardless of expenditures or completion of project tasks.

Blank claims will be submitted in EBS with the appropriate progress report attached. This procedure has been added to Section 1.5.2 of the Public Transportation Division Grant Management Policies and Procedures, as attached.

If you have questions or need additional information, please do not hesitate to contact me or Bruce Adams, Public Transportation Division Manager at 336-373-6237.

cc: Kimberly Sowell, Assistant City Manager
Bruce Adams, Public Transportation Manager
Sherria High, Assistant Public Transportation Manager

Attachment Grant Management Policies and Procedures

/jc
/ba



DATE: July 8, 2020
TO: Hanna Cockburn, Director of Transportation
FROM: Internal Audit Division
SUBJECT: FY19 Advanced Technology Grant Review Response

The Internal Audit Division has received your response to the FY19 NCDOT Advanced Technology Grant Review Report. We find the response sufficient and no further action is required.

We would like to thank the Transportation Department staff for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2230.

Garland Wells
Internal Auditor

Len Lucas
Internal Audit Director

cc: Larry Davis, Assistant City Manager
Kimberly Sowell, Assistant City Manager
Bruce Adams, Public Transportation Manager
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