



# City of Greensboro

Date: June 11, 2004  
To: Ed Kitchen, City Manager  
From: Internal Audit  
Subject: Transportation Grants

Attached you will find a copies of several grants we reviewed relating to our Transportation Department. We didn't note any formal recommendations or corrective actions to be taken at this time. If you need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read "Len Lucas".

Len Lucas  
Acting Internal Audit Director

Cc: Mitchell Johnson, Deputy City Manager  
Ben Brown, Assistant City Manager for Economic Development



# City of Greensboro

Date: June 9, 2004  
To: Jim Westmoreland, Director Greensboro Department of Transportation  
From: Internal Audit  
Subject: Review of Greensboro Urban Area Metropolitan Planning Organization (MPO)  
Activities- grants 220-4553-01 and 220-4555-01

We have audited Transportation Department grants from federal, state and local sources, for MPO activities set forth under grants 220-4553-01 and 220-4555-01 covering grant years July 1, 2001 to June 31, 2002 and July 1, 2002 to June 30, 2003. The funds budgeted for the 2001-2002 Grant were \$397,768, and \$606,363 for the 2002-2003 Grant. The audit was conducted in accordance with auditing standards issued by the Institute of Internal Auditors, to include a review of the internal controls in place within each division. The audit also consisted of a review of the grant documents to determine the conditions set forth in each contract for the purpose of determining compliance with the contract.

The purpose of the audit was to:

- Verify that receipts are properly recorded.
- Verify disbursements are in compliance with the contract and are made during the contract period.
- Determine that the programs are achieving the desired results or benefits as written in the contract.
- Verify that assets purchased with grant funds are properly recorded in the inventory system.
- Verify that required reports to the granting agencies are being provided timely and as required in the contract.

Grants 220-4553-01 and 220-4555-01 were awarded under a Memorandum of Understanding between the Governor of the State of North Carolina, The City of Greensboro, The County of Guilford, and The North Carolina Department of Transportation (NCDOT) dated October 31, 2000 and ratified by the City of Greensboro December 19, 2000 and County of Guilford January 18, 2001.

City Ordinance 01-162 dated July 17, 2001 established Grant 220-4553-01 in the amount of \$248,540. The grant included \$49,708, (20%), of in-kind funding and \$198,232, (80%), in state grant funds. The grant period was from July 1, 2001 through June 31, 2002. The grant was amended May 26, 2002 adding another \$149,228 with an added \$29,846 (20%) of in-kind funding, and \$119,382 (80%) in state grant funds. The combined amounts make the grant total \$318,214 (80%) in state grant funding, and require \$79,554 (20%) in-kind spending for a total grant value of \$397,768. The grant period expired with \$212,287 in state grant funds unexpended, and \$53,072 of the in-kind unmatched, a total of \$265,359 unexpended.

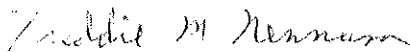
City Ordinance 02-138 dated July 16, 2002 established Grant 220-4555-01 in the amount of \$606,363. The grant included \$121,273, (20%), of in-kind funding and \$485,090, (80%) of state grant funds. The grant period was from July 1, 2002 through June 30, 2003. The grant period expired with \$147,181 in state grant funds unexpended, and \$36,797 of the in-kind unmatched, a total of \$183,978 unexpended.

There are no findings regarding these grants, all funds were spent for eligible items and during the grant period. There is no loss of funds to the City of Greensboro for not spending all the funds granted, our understanding of the funds use is as follows:

1. The funds for these grants are federal funds passed through NCDOT.
2. The funds carry forward from year to year, and unspent balances are available for the following years grant amounts; until it is reprogrammed in the MPO Planning Work Program, the funds are considered unobligated balance attributed to the MPO.
3. NCDOT policy allows for reallocation of funds, but reallocation is not undertaken unless the unobligated funds balance equals at least three years of the MPO allocation. The reallocation is usually undertaken only after a letter is sent to the Lead Planning Agency (LPA), requesting approval to reallocate excess planning funds.

We wish to thank the Transportation Department and the Financial Department staff members for their cooperation and assistance in reviewing these grants. If there are any questions regarding the audit itself or our findings, please contact the audit department at extension 2230.

Freddie M. Newnam



Internal Auditor

Len Lucas



Acting Director, Internal Audit

cc: Mitchell Johnson, Deputy City Manager  
Ben Brown, Assistant City Manager for Economic Development



# City of Greensboro

Date: June 9, 2004  
To: Jim Westmoreland, Director Greensboro Department of Transportation  
From: Internal Audit  
Subject: Review of NCDOT grant to put turn lanes at NC 68 and Triad Center Drive Grant 220-4534-01

We have audited the Transportation Department grant, from state and local sources, 220-4534-01 covering grant years 2001 and 2002. Funds budgeted for the 2001-2002 Grant were \$150,000 from the state and \$251,550 from the city. The audit was conducted in accordance with auditing standards issued by the Institute of Internal Auditors, to include a review of the internal controls in place within each division. The audit also consisted of a review of the grant documents to determine the conditions set forth in each contract for the purpose of determining compliance with the contract.

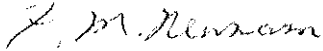
The purpose of the audit was to:

- Verify that receipts are properly recorded.
- Verify disbursements are in compliance with the contract and are made during the contract period.
- Determine that the programs are achieving the desired results or benefits as written in the contract.
- Verify that assets purchased with grant funds are properly recorded in the inventory system.
- Verify that required reports to the granting agencies are being provided timely and as required in the contract.

City Ordinance 00-98 dated June 6, 2000 established Grant 220-4534-01 in the amount of \$401,550. The grant included \$251,550.23 in transfers from the State Highway Allocation Capital Project fund for the local match, and \$150,000 in State Grant funds. The grant period ran from June 30, 2000 to July 1, 2001 based on completion within one year of execution of the agreement, executed on June 30, 2000. Only \$242,106.42 was expended under this grant. The state had been billed for \$128,738.19 on June 24, 2003 after the date of the grant funding had run. The contractor billed the work after the grant's original contract period had run based on their breakdown of costs. State Highway Capital Projects funds of \$138,182 were transferred back to the State Highway Capital Projects, leaving a net of \$113,368.23 in the grant after transferring in \$251,550.23 originally. The difference between the \$242,106.42 spent and the \$128,738.19 billed to the state is the net \$113,368.23 in transfers in from the State Highway Capital Project Funds. There is \$21,261.81 in state funding from this grant unbilled, which will be lost to the City of Greensboro, based on the contract manager's breakdown of cost. We recommend that in the future, if the contract specifies that the grantor will participate up to a certain dollar amount without a percentage of participation from the city as this one did in provision 8 that we make sure to bill the state the full amount they will participate, providing the costs can be supported.

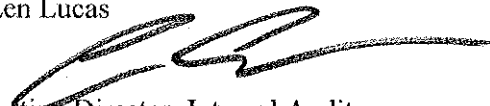
We wish to thank the Department of Transportation and the Financial Department staff members for their cooperation and assistance in reviewing these grants. If there are any questions regarding the audit itself or our findings, please contact the audit department at extension 2230.

Freddie M. Newnam



Internal Auditor

Len Lucas

  
Acting Director, Internal Audit

cc: Mitchell Johnson, Deputy City Manager  
Ben Brown, Assistant City Manager for Economic Development



# City of Greensboro

Date: June 9, 2004  
To: Jim Westmoreland, Director Greensboro Department of Transportation  
From: Internal Audit  
Subject: Review of Section 5303 Metropolitan Planning program grants 220-4554-01 and 220-4556-01.

We have audited Transportation Department grants from federal, state and local sources, for Section 5303 Metropolitan Planning Program activities set forth under grants 220-4554-01 and 220-4556-01 covering grant years July 1, 2001 to June 31, 2002 and July 1, 2002 to June 30, 2003. The funds budgeted for the 2001-2002 Grant were \$47,680, and \$51,350 for the 2002-2003 Grant. The audit was conducted in accordance with auditing standards issued by the Institute of Internal Auditors, to include a review of the internal controls in place within each division. The audit also consisted of a review of the grant documents to determine the conditions set forth in each contract for the purpose of determining compliance with the contract.

The purpose of the audit was to:

- Verify that receipts are properly recorded.
- Verify disbursements are in compliance with the contract and are made during the contract period.
- Determine that the programs are achieving the desired results or benefits as written in the contract.
- Verify that assets purchased with grant funds are properly recorded in the inventory system.
- Verify that required reports to the granting agencies are being provided timely and as required in the contract.

City Ordinance 01-193 dated September 4, 2001 established Grant 220-4554-01 in the amount of \$46,780. The grant included \$4,678 (10%), of in-kind funding, \$4,678 in state grant funding, (10%) and \$37,424, (80%), in federal grant funds. The grant period was from July 1, 2001 through June 30 2002. All funds were expended under this grant. The last report or request for reimbursement was not made timely, as costs eligible under grant terms, but charged to other areas, were transferred to grant accounts, in order to expend all funds within the grant period.

City Ordinance 02-138 dated July 16, 2002 established Grant 220-4556-01 in the amount of \$51,350. The grant included \$5,135, (10%), of in-kind funding, \$5,135, (10%), of state grant funds, and \$41,080, (80%), of federal funds. The grant period was from July 1, 2002 through June 30, 2003. All funds were expended within the grant period. The state was not billed for \$615.81 in Federal and State funds for costs incurred prior to the end of the grant period until February 27, 2004. The funds were received and deposited on March 3, 2004. Grant eligible costs that were expended before the end of the grant period under another account and transferred into the grant in order to expend all funds within the grant period caused the delay.

We wish to thank the Department of Transportation and the Financial Department staff members for their cooperation and assistance in reviewing these grants. If there are any questions regarding the audit itself or our findings, please contact the audit department at extension 2230.

Freddie M. Newnam

*F. M. Newnam*

Internal Auditor

Len Lucas



Acting Director, Internal Audit

cc: Mitchell Johnson, Deputy City Manager  
Ben Brown, Assistant City Manager for Economic Development