Columbus Consolidated Government

Georgia's First Consolidated Government

Post Office Box 1340

Columbus, Georgia 31902-1340

John D. Redmond, CMA, CIA
Internal Auditor /
Compliance Officer

706 225-3110
FAX: 706 653-4970
jredmond@columbusga.org

Final Report
Compliance Audit of ARRA-Funded Projects
September 2012

BACKGROUND/HISTORY

In early 2009, the United States Congress passed the American Recovery and Reinvestment Act and the President signed it into law. The Act provided nearly a trillion dollars for "shovel-ready projects" that could be used to stimulate the economy and create jobs. Columbus Consolidated Government (CCG) management requested the permission of City Council to apply for project funding under this act for a list of projects. City Council approved Resolution 12-09 authorizing such. Management formed a Stimulus Accountability Team, led by DCM Lisa Goodwin, to monitor and provide oversight for approved projects.

Subsequently, the CCG applied for twenty-eight (28) economic stimulus projects valued at $81,218,376, of which twenty-three (23) projects valued at $20,164,144 were approved for funding. Project applications included requests for Warm Springs Rail Line Bike/Pedestrian Trail, Eastern Connector, Intelligent Transportation System-Veterans Parkway and other streets, Columbus-Phenix City MPO, I-185 @ Victory Drive Gateway Improvements, 14th Street Pedestrian Bridge, Veterans Parkway Streetscape Improvements (Phase II), Meritas Mill Drainage Project, 6th Avenue Flood Abatement (Phase II), 6th Avenue Flood Abatement (Phase III), Neighborhood Revitalization Projects for Cusseta Road Pedestrian Walkway and Storm Drain Rehabilitation, Homeless Prevention Assistance, 4 Clean Diesel Low Floor Buses, 3 Clean Diesel Low Floor Trolley Buses, Enhancement and Safety/Security Equipment Residual Funds, Funding for Energy Efficient Projects, Intelligent Transportation System-Wynnton/Macon Road, Air Quality Alliance, Energy Audit Program, One Undetermined Project, Summer Youth Employment Program, Adult Job Training, Dislocated Worker Job Training, River Restoration Project, Circuit-wide Grant for Chattahoochee Judicial Circuit, Victim's Witness Assistance, and Court Related Activities. Of these, several projects were not approved: Eastern Connector, River Restoration Project, Meritas Mill Drainage, Sixth Avenue Flood Abatement Project, (Phases II & III). The latter three projects were found ineligible due to the City of Columbus being an entitlement community for CDBG-R funding. One project was determined to be financial unfeasible, and funding was shifted to another flood abatement project.

AUDIT AUTHORIZATION

The City Council requested that the Internal Auditor serve as an ex-officio member of the Stimulus Accountability Team and that an audit be performed of each project for compliance following project completion.

COMPLAINT/ISSUE

Were each of the ARRA-funded projects properly authorized by City Council, applied for, awarded, expended and reported consistent with the requirement of ARRA and the directives of City Council?

AUDIT PROCESS

The audit process consisted of the monitoring of ARRA-funded projects while the Internal Auditor/Compliance Officer served as an Ex-Officio Member of the Stimulus Accountability Team, followed by a compliance audit of each awarded project. The audit consisted of a thorough review of the project requirements, the review of project documents including the Council Resolution authorizing the application process, review of the application document, letter of project award, the reviewing of interim and final performance and financial reports to the supervising federal agency and the closure of the project. In several instances, permission was obtained from the supervising agency to transfer remaining project funds to other projects. In such cases, the request and approval of fund transfer to other projects was also reviewed.

Numerous City Department Heads oversaw the projects; it was therefore necessary to coordinate the audit activity with the Department Heads. An entrance conference was held with the directors to discuss the scope of the audit and the information needed to conduct the audit. Upon completion, each director was briefed on the results of the audit and invited to attend the council presentation. There were no adverse findings or recommendations; therefore no auditee responses were required.

AUDIT FINDINGS

Each of the ARRA projects reviewed was found to comply with program requirements for application, Council authorization, management approval and proper documentation of each item, including periodic and final performance reporting, expenditure receipts for funding justification. Departmental files of the projects were comprehensive and well organized. Departmental management and staff were knowledgeable of project components and funding sources. The program began in 2009 and a number were completed during the first two years of the program. The final projects, the Fourteen Street Bridge and the last phase of the Rails to Trails are nearing completion. This was a compliance audit and the results were excellent, as expected.

AUDIT RECOMMENDATIONS

None.

MANAGEMENT RESPONSE

None.

John D. Redmond

John D. Redmond, Internal Auditor & Compliance Officer

9/19/12

Date