



# ***Agenda Report***

## ***Fullerton City Council***

**MEETING DATE:** MAY 7, 2019

**TO:** CITY COUNCIL / SUCCESSOR AGENCY

**FROM:** KENNETH A. DOMER, CITY MANAGER

**PREPARED BY:** MICHAEL B. O'KELLY, DIRECTOR OF ADMINISTRATIVE SERVICES

**SUBJECT:** FISCAL YEAR 2017-18 FEDERAL SINGLE AUDIT

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### **SUMMARY**

The Fiscal Year (FY) 2017-18 Federal Single Audit is a rigorous, organization-wide audit of federally funded programs and grants received and spent by the City. The Single Audit for Fiscal Year 2017-18 was performed by LSL, CPA's, an independent certified public accountant (CPA) and encompasses both financial and compliance components.

### **RECOMMENDATION**

Receive and file.

### **BUDGET POLICY PRIORITY STATEMENT**

This item matches the following Budget Policy Priority Statement/s:

- Fiscal and Organizational Stability.

### **FISCAL IMPACT**

Ensures continued eligibility to receive and spend Federal grant monies.

### **DISCUSSION**

Attached is the City of Fullerton Fiscal Year 2017-18 Federal Single Audit. The Federal Single Audit is a rigorous, organization-wide audit of federally funded programs and grants received and spent by the City. The Single Audit for Fiscal Year 2017-18 was performed by LSL, CPA's, an independent certified public accountant and encompasses both financial and compliance components. The Single Audit's objective is to provide assurance to the federal government as to the management and use of such funds by

recipients such as the City. Results of the Single Audit are submitted to the Federal Audit Clearinghouse along with a data collection form for review by interested parties

During FY 2017-18, the City's federal expenditures were \$5.4 Million, primarily consisting of direct funded U.S. Department of Housing and Urban Development (HUD) and pass-through funded U.S. Department of Transportation (DOT) grants. The results of this year's Single Audit included one current year finding along with the corrective action taken to prevent similar future findings. Specifically, the City's annual performance Section 3 summary report to HUD for the Home Investment Partnerships Program was not submitted within 90 days after the close of the City's program year ending June 30, 2018. City Staff had access issues to HUD's Section 3 Performance Evaluation and Registry System (SPEARS) and the HUD representative acknowledged the program manager's locked access to SPEARS preventing timely submission of their report to HUD. City Staff will maintain records of date and time stamps of submissions of reports. In addition, City Staff will also include verification of any issues with submission of reports by printing and retaining communications including taking screen captures of submission issues.

Previous fiscal year findings and status are also reviewed and reported within the Single Audit report to demonstrate that all previous findings have been resolved.

Attachments:

- Attachment 1 – FY 2017-18 Federal Single Audit