**CITY OF ATLANTA**
City Auditor's Office
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# Performance Audit:

## Atlanta Police Department Grants

### What We Found

The police department has strengthened grants management since concerns were raised in previous audits. The department addressed concerns previously raised in city and federal audits by hiring new grants staff and developing policies and procedures. We reviewed the department's four grants with the largest amount of expenditures for fiscal year 2013 as of February 2013, which totaled $2.8 million. The four grant files showed evidence of compliance with grantor requirements on spending, reporting, and monitoring. According to police department records, the department used the grant funds to hire 50 sworn officers; to purchase computer equipment, cameras and software, to support crime prevention programs; and to support officer overtime.

While the department has made improvements, it still did not meet inventory requirements. Police staff was unable to provide complete lists of items purchased with funds from active grants and locations of the items. Nine of the department's 20 current grants authorize police to purchase law enforcement related equipment.

The city has no central grants management process in place. Grants management activities in the city are split among individual grantee departments and offices within the finance department. Grants management is primarily the responsibility of the grantee department and central oversight of grant expenditures is weak. The decentralization of management poses risks of noncompliance and unallowable expenditures and requires control and process changes.

These risks could also cause the city to incur unexpected costs, miss grant or cost recovery opportunities, and prepare inaccurate financial records. Although finance is taking steps to reduce the risk of unallowable grant expenditures by making changes to the invoice approval workflow, the city is not using all of the capabilities available in Oracle to facilitate invoice review.

### Why We Did This Audit

We undertook this audit because we found insufficient controls over grants management and lack of central oversight of grants management in the city during our audit work covering the federal recovery act grants.

### What We Recommended

To ensure that property purchased with grant funds is protected from loss, the chief of police should:

- Ensure that grants management staff prepare inventory lists of grant-funded items as they are purchased. The lists should contain a description of the specific item, a serial or other identification number, the location of the item, and person to whom it is assigned.

To strengthen citywide grants management controls, the chief financial officer should:

- Develop a workflow in Oracle for grants accounting staff to review and approve grant requisitions prior to creation and payment of the related purchase orders, which will help to ensure that costs are allowable before grantee departments obligate funding.

- Develop a city procedure to work with departments during the grant application process to recover the citywide costs of administering grants, if allowable under the grant.

- Develop citywide procedures for closing grants, and ensure that completed grants are closed out in Oracle.

For more information regarding this report, please contact Stephanie Jackson at 404.330.6678 or sjackson@atlantaga.gov.