

Internal Audit Report #2021-004
Grant Management Performance Audit
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Tara Hazelbaker, CPA, CIA
DIRECTOR OF INTERNAL AUDIT | JEFFERSON PARISH

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OVERVIEW

BACKGROUND

Grants are funds given by an entity – frequently a public body, charitable foundation, or a specialized grant-making institution – to an individual or another entity for a specific purpose linked to public benefit. Unlike loans, grants are not to be paid back. In the United States, grants most often come from a wide range of government Departments or an even wider range of public and private trusts and foundations.¹

Jefferson Parish (the Parish) receives grant funding for various purposes such as affordable housing, early childhood education, workforce development, senior services, transportation, and homeland security. The Parish benefited from over \$60 million in federal award funding during 2018 and 2019, increasing to \$99 million in 2020 due to the COVID-19 pandemic². A federal award expenditure history by year³ is shown in the table below.

GRANTOR	2018	2019	2020
Corporation for National and Community Service	\$ 28,428	\$ 43,858	\$ 75,385
Department of Agriculture	353,859	581,060	462,608
Department of Commerce	71,417	22,756	142,653
Department of Energy	3,663,458	1,446,511	0
Department of Health and Human Services	9,330,376	9,630,474	12,469,774
Department of Homeland Security	435,767	20,645,499	326,786
Department of Housing and Urban Development	9,585,739	9,503,551	9,162,494
Department of the Interior	258,433	91,887	2,983,533
Department of Justice	16,790	5,738	27,840
Department of Labor	2,649,506	2,788,807	2,302,969
Department of Transportation	10,054,325	15,609,711	23,880,315
Department of Treasury	0	0	34,670,316
Environmental Protection Agency	1,657,859	62,291	3,290,772
Federal Emergency Management Agency	25,211,383	0	9,236,519
TOTAL	\$ 63,317,340	\$ 60,432,143	\$ 99,031,964

The Parish also receives non-federal grants from such grantors as the Humane Society of the United States, Keep America Beautiful, and the Louisiana Endowment for the Humanities. Expenditures for non-federal grants are not included in the table above.

¹ [https://en.wikipedia.org/wiki/Grant_\(money\)](https://en.wikipedia.org/wiki/Grant_(money)) as of June 10, 2021.

² The COVID-19 pandemic is an ongoing pandemic of coronavirus disease 2019 caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It was first identified in December 2019 in Wuhan, China. The World Health Organization declared the outbreak a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. – Wikipedia as of January 21, 2021.²

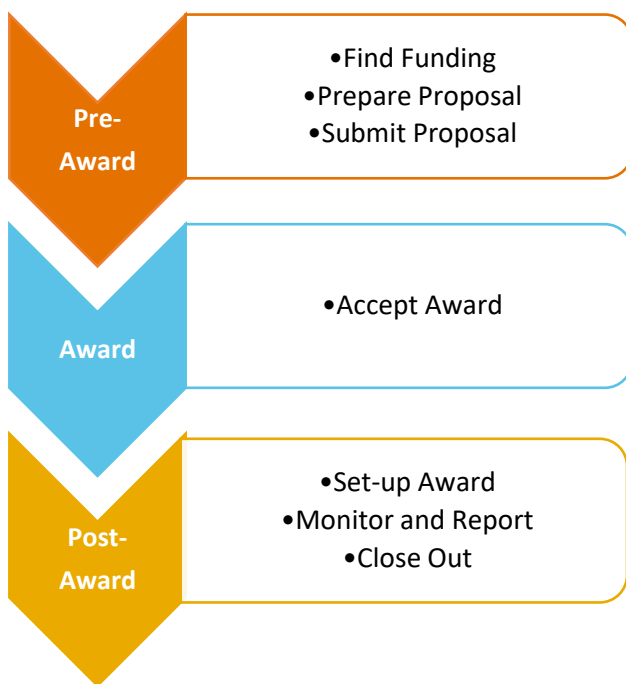
³ Extracted from the respective Schedule of Expenditures of Federal Awards (SEFA) contained within the Single Audit Report. These numbers are expenditures on the accrual basis of accounting and do not include the expenditure of non-Federal matching funds. The totals represent Federal awards only. Single Audit Reports are on file with the Department of Accounting.

Jefferson Parish receives a significant amount of federal grant funding. Effective and efficient administration of grant funding is of paramount importance to ensure the Parish can retain (does not have to give back) the funding received and remain eligible for future funding. This audit focuses on effective Parishwide grant management and administration.

There are at least six (6) types of grants that require management. They are:

1. Capital grants that are generally for endowment, building, equipment, or construction.
2. General operating grants that are for the everyday operations of an organization.
3. Program/project grants that are for a specific activity or plan within an organization that are usually time limited.
4. Start-up grants that cover the costs of starting a new project or organization.
5. Technical assistance grants that support an organization's development or infrastructure needs.
6. Planning grants that support the planning stages of a future project.

Grant activities are typically characterized as one of three phases: Pre-Award, Award, and Post-Award. The following graphic illustrates the primary activities within each phase.



A potential grantee must first identify a grant opportunity and ensure that it is congruent with the organization's (the Parish's) mission. Next, the grantee must evaluate the grant feasibility and determine the organization's ability to meet any matching funds⁴ requirements that the grantor may require. Finally, the grantee must also determine if the organization can meet future financial obligations if the grant calls for the unfunded continuation of a program or maintenance of an asset.

The grantee must prepare and submit a proposal, abiding by all submission requirements.

When a grant award is accepted, the grantee must manage the award from both a programmatic and financial standpoint. Each grant is different but has commonalities in requiring the grantee to follow all the terms and conditions of the award and meet reporting requirements throughout the grant period.

The grants management process concludes at the end of a specified period when all funds have been spent. Grant funds must be accounted for through the end date of the grant. Projects may continue beyond that date with the assistance of funds from other sources.⁵

⁴ Matching funds are financial contributions to a project made by the grantee and/or collaborative partners.

⁵ Information on this page is extracted from Introduction to Grant Management, published by Jones and Bartlett Publishers, LLC.

OBJECTIVE

The objective of this performance audit was to evaluate Parishwide grant management and administration to determine its effectiveness.

SCOPE

Internal Audit reviewed a three-year expenditure history of grants awarded to various Departments within Jefferson Parish. Included in the scope were fiscal years 2018, 2019, and 2020. In addition, vital operational data were analyzed, such as:

- 1) AS/400 financial data,
- 2) Adopted budgeted information,
- 3) Comprehensive Annual Financial Reports, including Single Audit Reports, and
- 4) Parishwide and Departmental Policies and Procedures.

PROCEDURES

Internal Audit utilized the following basic procedures in analyzing the data.

- a) Reviewed documentation to establish industry standards and best practices.
- b) Obtained example policies and procedures.
- c) Developed a questionnaire regarding grant management and collected responses from all Jefferson Parish Department directors.
- d) Collected Departmental grant management policies and procedures in effect based on responses to the questionnaire mentioned above.
- e) Retrieved financial data from the Parish's budgets, audit reports, and AS/400 Financial Management System.
- f) Created charts and tables illustrating historical grant data obtained.
- g) Communicated with Department personnel via email, phone, and in-person.
- h) Performed other procedures as deemed necessary to satisfy the objective.

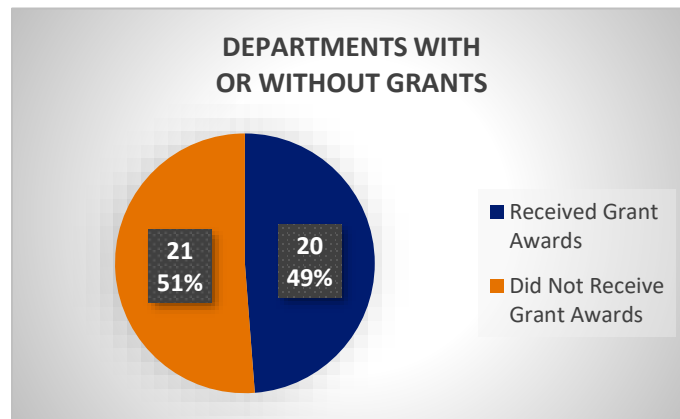


GRANT STATISTICS

Internal Audit evaluated forty-one⁶ (41) of the Parish's Departments to determine if they receive grant funding. Internal Audit developed a Grant Management Questionnaire⁷ and solicited responses from each of the Departments. As a starting point for this audit, five (5) basic questions were asked of the Departments. Follow-up questions and procedures were then performed by Internal Audit based on the responses. The questions asked were:

1. Did you receive grant funds in 2018, 2019, or 2020?
2. Do you have a dedicated grant manager(s)?
3. Do you have written grant management policies and procedures in place? If yes, please send them.
4. Do you have a dedicated grant accountant(s) within the Department?
5. Do you utilize or consult with a Department of Accounting grant accountant?

Of the Departments examined, twenty (20) or nearly half of the Departments received the benefit of grant funding.



Of the twenty (20) Departments who benefitted from grant funding, twelve (12) received Federal funding directly from the grantor, five (5) Departments were sub-recipients of Federal grant funding from other Jefferson Parish Departments, two (2) were sub-recipients of grants funding from entities other than Jefferson Parish Departments, and three (3) Departments received grant funding from non-federal sources.

DESCRIPTION	# OF DEPTS
Direct Federal funding	12
Sub-recipient of JP Direct Federal funding	5
Sub-recipient of Non-JP Federal funding	2
Non-Federal funding	3
Departments in more than one of the above	(2)
DEPARTMENTS WITH GRANTS	20

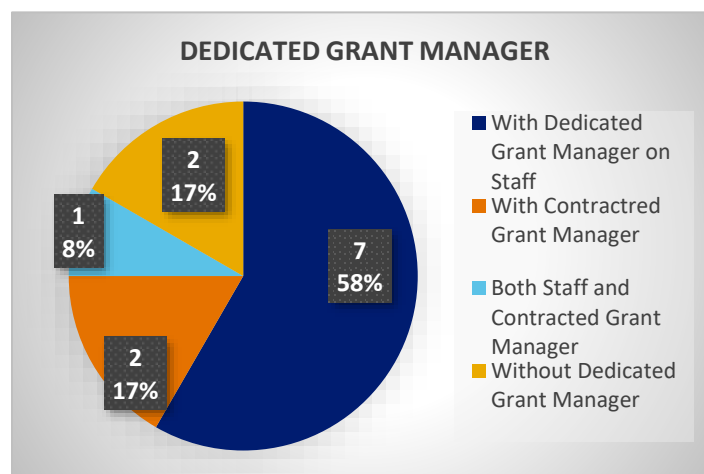
⁶ See Attachment A for Jefferson Parish Departments evaluated.

⁷ See Attachment B for Grants Management Questionnaire.

Most of the grant funds received by Jefferson Parish, either directly or indirectly (as sub-recipients), are from federal sources. Therefore, Internal Audit focused on Fiscal Year 2019 to determine the number of active federal grant awards, amount of grant funds expended within that year, and percent to total expenditures by Department. The total federal grants expended in 2019 was \$60,432,143 as per the Schedule of Expenditures of Federal Awards contained within the Single Audit Report⁸. This amount represents one hundred thirteen (113) separate grant awards directed to twelve (12) different Jefferson Parish Departments. The following table contains more details of these statistics.

DEPARTMENT	# OF AWARDS	EXPENDITURES	% OF TOTAL (EXP)
Community Development	23	\$ 9,503,551	15.7%
Community Justice Agency	1	5,738	0.0%
EcoSystem and Coastal Management	5	176,934	0.3%
Emergency Management	7	100,340	0.2%
Engineering	7	6,406,023	10.6%
Floodplain Mgmt and Hazard Mitigation	22	19,307,467	31.9%
Jefferson Community Action Programs	14	9,824,512	16.3%
Juvenile Services	1	428,106	0.7%
Public Safety Grants & Administration	1	1,240,499	2.1%
Sewerage	2	1,446,478	2.4%
Transit	22	9,203,688	15.2%
Workforce Connection	8	2,788,807	4.6%
TOTAL	113	\$ 60,432,143	100.0%

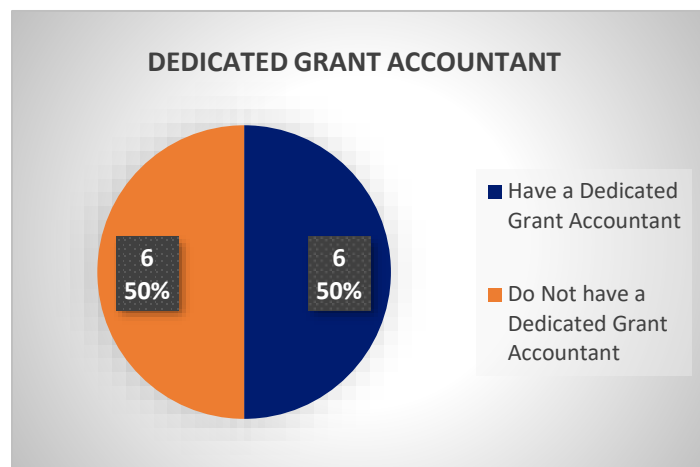
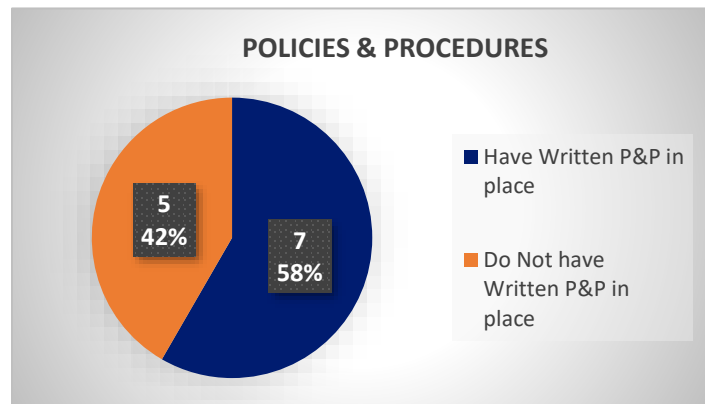
Of the twelve (12) Departments who receive federal grants directly, seven (7) indicated they have a dedicated grant manager on staff, two (2) contract the grant management function, one (1) has both in house (staff) and contracted grant management, and two (2) Departments do not have a dedicated grant manager. Without a dedicated grant manager, the two (2) Departments⁹ expended \$6,582,957 in grant awards during 2019.



⁸ These numbers are expenditures on the accrual basis of accounting and do not include the expenditure of non-Federal matching funds. The totals represent Federal awards only. Single Audit Reports are on file with the Department of Accounting.

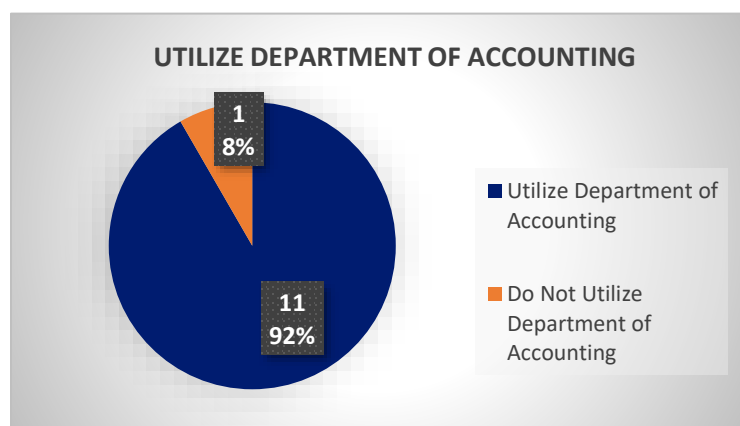
⁹ The Department of EcoSystem and Coastal Management, and Department of Engineering indicated that they did not have a dedicated grant manager.

Seven (7) of the twelve (12) Departments indicated they have written policies and procedures, five¹⁰ (5) did not have written policies and procedures as of the timing of this report—a total of \$26,324,268 of federal grant expenditures that were managed without Policies & Procedures in 2019.



Six (6) Departments indicated they have a dedicated grant accountant¹¹, six (6) do not. This statistic represents \$35,527,956 in grant expenditures for 2019 without a dedicated grant accountant.

Eleven (11) Departments indicated that they utilize the Department of Accounting¹² to assist with grant management, while one (1) Department with \$100,340 in grant award expenditure in 2019 indicated they do not.



¹⁰ The Departments of Community Justice, EcoSystem and Coastal Management, Engineering, Floodplain, and Juvenile Services indicated that they did not have written policies and procedures in place.

¹¹ The Departments of Community Justice, EcoSystem and Coastal Management, Engineering, Floodplain, Juvenile Services, and Transit indicated that they did not have a dedicated grant accountant.

¹² The Department Emergency Management indicated that they did not utilize the Department of Accounting for assistance with grant management.

Overall, four (4) Departments affirmatively responded that they have all basic components of sound grant management in place (dedicated grant manager, written policies and procedures, dedicated grant accountant, utilize accounting). Those four (4) Departments were Community Development, JeffCAP, PSG&A, and Workforce Connection. Together they managed \$23,357,369 of grant expenditures in 2019, representing 39% of the dollar total. The remaining eight (8) Departments did not have one or more elements, leaving \$37,074,774 or 61% at risk. Risks include the loss of funding from both current and potential grantors, the requirement to pay back funds previously granted, and damage to the Parish's reputation.

The reader should note that the statistics on the previous page are meant to document the Departments' understanding as indicated via responses to the Grant Management Questionnaire (see page 5). Internal Audit suggests that the Administration address any discrepancies that do not reflect the full scope of grant management. Additionally, while the charts on the previous two (2) pages represent elements of sound grant management, the need for formalization of each component depends on the size and complexity of respective Departments and the grants received by each. For example, the Department of EcoSystem and Coastal Management is a small Department comprised of one (1) director, two (2) dedicated staff, and two (2) shared staff members who collectively managed five (5) grant awards, totaling \$176,934 in expenditures in 2019. Therefore, informal and verbal policies and procedures in place may be effective in managing the grant awards.

Internal Audit obtained authoritative sources regarding best practices of grant management and compared actual policies and procedures to best practices. Sources used include but are not limited to the Government Finance Officers Association (GFOA) Best Practices Guidelines related to grants; the Committee of Sponsoring Organizations (COSO) comprehensive framework of internal controls; and various textbook concepts such as those published by Jones & Bartlett Learning.

Best practices evaluated are delineated on the following pages and are characterized as the same three phases as highlighted earlier in this report: Pre-Award, Award, and Post-Award. Results of the analysis for each of the three phases are shown on the following pages.



GRANT PHASE: PRE-AWARD

BEST PRACTICES

According to the Government Finance Officers Association's (GFOA) Best Practices on Establishing an Effective Grant Policy, "Governments should develop a **formal grants policy** and that such a policy should address steps to take prior to applying for or accepting grants." At a minimum, the policy should contain the following components¹³:

1. Grants identification and application. A grants policy should require that the Department or agency seeking a grant provide advance notice to appropriate authority, such as finance, so that the effects on the government, for example, budget, cash flow, procurement requirements, financial reporting, or compliance requirements can be reviewed and understood beforehand.
2. Strategic alignment. A grants policy should include a requirement for assessing the extent to which a grant is consistent with the government's mission, strategic priorities, and/or adopted plans as opposed to simply constituting additional funding for a Department or agency of the government. Accepting a grant that is not consistent with the overall strategic direction of a government creates the risk that the government will spend its own funds to support a grant inconsistent with overall strategic direction or commit the government to own-source spending beyond the grant period.
3. Funding analysis. Along with a review of strategic alignment, a grants policy should require a multi-year cost/benefit analysis prior to application or acceptance. The analysis should include matching funds (and whether or not they will need to be set aside) and any other direct costs associated with a grant, the extent to which overhead costs will be covered, in-kind contributions, audit and close-out costs, and potential costs that might need to be incurred by the government beyond the grant period.
4. Evaluation prior to renewal or grant continuation. A grants policy should include an overall approach to grant renewals. Additionally, a grants policy should require an evaluation of the impacts of the grant-funded program or asset prior to deciding whether to continue a grant at the end of the initial grant period.
5. Administrative and operational support. A grants policy should also include a requirement that the government obtain a detailed understanding of grant terms and conditions and specify how the grant will be monitored.

Governments should incorporate the most widely recognized source of guidance on internal controls into its formal grants policy components, the Committee of Sponsoring Organizations (COSO). Accordingly, the GFOA¹⁴ has organized the following best practice steps for grant internal control into COSO's five essential components of a comprehensive framework of internal controls: 1) Control Environment; 2) Risk Assessment; 3) Control Activities; 4) Information and Communication; and 5) Monitoring.

¹³ The minimum policy components were excerpted from the GFOA Best Practices on Establishing an Effective Grants Policy. The full verbiage is located in Attachment C.

¹⁴ Internal Control components were excerpted from the GFOA Best Practices on Internal Control Grants. The full verbiage is located on Attachment D. More information on the COSO Internal Control – Integrated Framework Principles is located on Attachment G.

Additionally, the Government Finance Officers Association (GFOA) recommends that governments create a **grant oversight committee**¹⁵ to ensure adherence to the formal grants policy. The GFOA recommends that the oversight committee be involved before applying for, accepting, renewing, or continuing a grant. The composition of the oversight committee should be as follows:

1. Representatives on the committee should include at a minimum the chief financial officer (CFO), budget manager, assistant city/county/town manager, or equivalent, internal auditor, or equivalent, grants administrator/coordinator, and at least one Department head (selection can be done on a rotating basis after a minimum term is served).
2. In addition to the permanent members of the committee there should be flexibility to appoint subject matter experts on an ad hoc basis to help address specialized situations. As an example, there may be a need to deliberate human resources or legal issues. Depending on the need for these ad hoc members they may only need to be included for a short period of time.

Note: According to the International Professional Practices Framework published by the Institute of Internal Auditors, "the internal audit activity must be independent, and internal auditors must be objective in performing their work." Independence is achieved by assuring that Internal Audit has no management responsibility for any organization's non-audit functions subject to internal audit review. Essentially, internal audit cannot audit its own work. For this reason, the JP Department of Internal Audit suggests that the Department of Research and Budget or other appropriate Department (not Internal Audit) hold a seat on the Grant Oversight Committee.

Once the project or program idea has been formed, funding options have been researched, and committee approval has been obtained, the Department develops the proposal following any grantor requirements. The proposal, grant application, and any other required documentation are submitted to the potential grantor. Grant cycles vary from a grantor to grantor. The time before award notification is typically defined by the grantor, particularly in the case of federal funding.

JEFFERSON PARISH PRACTICES

Internal Audit obtained information regarding the existence of any Parishwide grant management policy (policies) and any pre-approvals necessary to submit grant applications. Of the twelve (12) Parish Departments who received federal funding, none of the Departments knew of a Parishwide grants management policy or grants committee. However, a committee created in February 2011 by Parish Ordinance exists for the Department of Emergency Management grants. The committee's purpose is to advise the Administration and Council on how to expend funds after they are received.¹⁶ (See the Post-Award section, page 18, for more information about this committee.)

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¹⁵ Verbiage regarding grant oversight committee best practices was excerpted from the GFOA Best Practices on Establishing a Grants Administration Oversight Committee. The actual policy is located in Attachment E.

¹⁶ JPCO Section 2-796, Ordinance 23956 (February 2, 2011)

The Departments' general practice(s) is that they individually determine grants for which they apply. **Six**¹⁷ (6) of the twelve (12) **Departments indicated that they obtain council approval** prior to submitting grant applications; however, the approval does not include an obvious, in-depth funding analysis, formalized evaluation before renewal or grant continuation, or specify who will monitor the grant. These three (3) components are Best Practices as outlined by the GFOA's suggestion for a grants policy.

The Council essentially acts as a Grants Committee; however, they are not comprised of the recommended disciplines of budget manager, designated research and budget representative, grants administrator, and Department head.

Two (2) Departments indicated that they place an "All grants" resolution on the Council agenda for approval. Such a resolution gives the Departments authority to apply for and accept all existing (known) grants awards along with any future (unknown) grant awards. This type of Resolution authorizes signatory powers and is updated as necessary to include new funding sources.¹⁸

For example, the Jefferson Community Action Programs (JeffCAP) obtained an "All grants" approval on December 9, 2020, via Council Resolution Number 136792. This Resolution gave JeffCAP the authority to submit and accept grant awards totaling approximately \$19 million (based on prior awards) plus any future not yet known awards. See Attachment H, Example 1, for the Resolution. Included in the \$19 million was the Head Start programs, which historically has received \$2,000,000 per year on average in support from the Parish's General Fund. (See Internal Audit Report #2020-006, page 20, for more details.¹⁹) Another example relates to the Department of Community Development. Some grant applications are approved explicitly via Council resolution, and some are approved via the general authority of the Director to act on behalf of the Parish. See Attachment H, Examples 2 and 3, for examples of referenced resolutions.

Six (6) Departments indicated that they generally work with Council and consult with the Department of Budget and/or Accounting before submitting a grant application. Some of these Departments **responded that they do not need Council approval before submitting a grant application**; however, they work with their designated Chief Administrative Assistant to receive approval. The general rule of thumb is that Federal grants needing matching funds call for Council approval before applying for grants, whereas grants that do not need a match do not require council approval. One should also note that the Parish receives entitlement grants, in some cases, for which a grant application is not necessary.

According to the Department of Budget, "Typically the Departments do not reach out during the application process but will when it comes time to accept the grant should it reach that level. The Code [of Ordinances] requires a funding source for Ordinances and Resolutions that authorize the use or disbursement of funds. At that time, we are typically involved in the routing process of the necessary legislation and amending the budget to provide any matching funds as well as the grant budget provided by Accounting."

¹⁷ The Departments of Community Development, Emergency Management, Engineering, JeffCAP, PSG&A, and Transit indicated that council approval is required to submit a grant application.

¹⁸ If the Council or the Parish President are designated as the recipient on behalf of the Parish, the grant agreements and contracts cannot be executed through the "All grants" resolution.

¹⁹ Internal Audit Reports can be found on the Parish's website at www.jeffparish.net.

Click path: Departments >> Internal Audit >> Audit Reports

FINDINGS AND RECOMMENDATIONS

1. The Parish does not have a Parishwide grants management policy, as recommended by the Government Finance Officers Association (GFOA), under which all Departments operate. A Parishwide policy would assist Departments in identifying and exploring grants that are consistent with Parish initiatives. The grants management policy would also help improve and embrace the control framework for grants administration and provide clear guidance to Parish personnel on effectively managing grants.

Internal Audit recommends that a Parishwide grants policy be put in place and that all applicable Departments are advised of such policy. The grants management policy should: a) outline the steps for identification and application of grants; b) include a requirement that Parish personnel obtain a solid understanding of grant terms and conditions, including multi-year benefits and cost-benefit analyses; c) require Departments to create a grant plan with timelines and parties responsible for implementing the steps of the plan; and d) require the Departments' staff to identify and attend appropriate grant training when available. Periodic training and dissemination of the policy itself will help ensure understanding and compliance. An example Grants Management Policy is on file with the Department of Internal Audit and available for reference.

2. The Parish does not have a Grants Committee in place as recommended by the GFOA, ensuring that a grants management policy is being upheld. Establishing a centralized grant oversight committee to review grant requirements, multi-year benefits, and cost-benefit analyses before applying for a grant would avoid the risk of unexpectedly spending the Parish's funds due to a grant award. In addition, committee involvement may reduce the risk of encumbering future Parish funding for items such as ongoing operating and maintenance costs.

Internal Audit recommends that a Grants Committee be formed and that Council grant authority to the committee to approve submission of grant applications within guidelines set forth by the Council, collaboratively with the Administration. The Committee should meet monthly or on a frequency as necessary and include the following:

- a) Department of Budget representative or equivalent,
- b) Department of Public Safety Grants and Administration (See the Post-Award section, page 18 for more information about this Department.)
- c) Department of Research and Budget or equivalent;
- d) Department representative (rotating in for each grant).

An example Grants Management Committee Policy is on file with the Department of Internal Audit and available for reference.

Pre-Award: Before the Grant Application is Submitted

GRANT PHASE: AWARD

BEST PRACTICES²⁰

Grant award offers can be made by letter or through a form, or in an informal way. In some cases, grantors will notify applicants of a grant award via a telephone call or email message. Once a Department receives a notice of a grant award and the grant agreement, they negotiate the grant budget as necessary, confirm the timeline, objectives, and requirements. When a grant award is accepted, the implementation of the project begins on a specific date. Then the grantee has to manage the grant from both a programmatic and financial standpoint until the final date of the grant award period.

Grantees should determine how tracking and reporting will work and assign a specific person for a grant manager. Finally, the agreement is signed, and the Parish becomes legally obligated to carry out the full terms and requirements of the grant. In exchange for financial support (the grant award), grantees promise that they will honor the project's intent and implement it to the best of their ability as outlined in the proposal submitted.

JEFFERSON PARISH PRACTICES

According to the Jefferson Parish Code of Ordinances, Section 2-36(b)(10)b3, the order of business during a Council meeting calls for a consent agenda to include grants authorization.

- b. *Consent agenda part one.* This segment in the order of council business shall be for resolutions which do not necessarily require individual debate, discussion or consideration. The consent agenda shall be in two (2) parts. The consent agenda shall include:
1. Approval of minutes;
 2. Approval of alcoholic beverage permit applications;
 3. Resolutions, correspondence and reports such as authorization for the advertisement for bids, acceptance of streets and/or utilities, **authorization of grants**, authorization for overhead service, and correspondence and reports from the parish president and directors;

The authorization verbiage must include a description, amount of allocation, the source of the funding, the purpose of the project, and the council member (s) supporting the request. This requirement is not explicitly stated in Section 2-36(b)(10)b3; instead, it is gleaned from the budget amendment from the floor requirement outlined in the Jefferson Parish Code of Ordinances, Section 2-35(d), "For amendments to an ordinance amending the parish's operating or capital budget, the written or electronic amendment must include a description of the amendment, which description shall include the amount of the allocation; the source of the funds for the amendment; the purpose and/or project for which the funds are to be used; and the councilmember or councilmembers requesting the amendment."

The Ordinances specify that amendments to the operating budget shall include the source of the funds for the amendment, the purpose or project for which the funds will be used, but not a requirement to specify a grant manager (name or position) who will manage the grant award.

²⁰ Best practices verbiage for the Award phase is excerpted from Introduction to Grant Management by Jones and Bartlett Publishers, LLC.

Grant funds are not included in the budget until such time that they are awarded. The Jefferson Parish Code of Ordinances, Section 2-879(a), calls for budget amendments to be approved by the Council.

Sec. 2-879. Duties concerning budget amendments; requirements for budget transfers, etc.

- (a) The council's research and budget analysis staff shall be notified in writing by the initiating parish department or agency of any proposed amendment to the operating budget of the parish together with justification for the amendment, a copy of the proposed ordinance amending the budget and identification of the revenue source permitting the amendment if an increase in the budget is being proposed.

Once a grant is awarded, Departments work with the Departments of Budget and Accounting to develop the program or project budget and amend the budget to provide for any matching funds.

Aside from a Resolution to apply for grants as described in the Pre-Award section, the recipient Department essentially needs two (2) approvals from Council once a favorable award notification is received:

- An Ordinance routed via the Department of Budget to amend the necessary budget items, and
- a Resolution routed via the recipient Department to approve acceptance of the grant award.

FINDINGS AND RECOMMENDATIONS

3. The practices of the Parish call for approval of the grant award along with the related budget amendment. The budget amendment calls for key items such as the funding source and the account number from which the program or project will be funded. However, it does not call for the specification of a grant manager. Clearly defined roles and responsibilities can mean the difference between successful grants management and losing grant funding.²¹

Internal Audit recommends that a grant manager position be formally identified for each grant award (federal or non-federal) the Parish receives. Whether the grant manager identified is an employee of the Parish, or a contracted individual or organization, the Parish remains responsible for managing the grant funds.

Award: The program or project will receive funding.

²¹ Quoted from "Four Keys to Successful Grant Management" published by GrantChat (April 23, 2021).

GRANT PHASE: POST-AWARD

BEST PRACTICES²²

While it is essential to have a grants policy and committee in place and a systematic approach to accept grant awards, a government must also ensure the appropriate administration of grants after their acceptance. Inappropriate administration may not serve in meeting all requirements for grants that a government receives. In such cases, the result can be a need to return some or all of the resources to the grantor. Typically, not meeting all grant requirements is not intentional. Instead, the problem is often caused because all appropriate parties within the government are not aware of all the requirements or are not aware of the conditions at the proper time.

The Government Finance Officers Association (GFOA) recommends that governments establish processes to promote awareness throughout the government that grants typically come with significant requirements. Such process should ensure that this awareness exists throughout the life of the grant and should address the following areas and include the following elements:

1. To ensure the efficient administration and operation of grant programs, the government should:
 - maintain a process to monitor for changes in grant terms and conditions that occur after the acceptance of a grant;
 - establish a project plan with timelines and parties responsible for implementing the steps of the plan;
 - provide initial training for new and unfamiliar programs and continuing training, in general, for the government (both for oversight agencies, such as finance and Department/program staff that directly administer the grants) and others involved with the grant program (e.g., sub-recipients); and
 - maintain a process to address specific personnel issues related to grants (e.g., whether salaries and/or benefits are eligible expenditures and if so, what are the related time-keeping requirements);
2. To ensure the efficient financial management of grants, a government should:
 - develop appropriate cash management procedures for drawdown and receipt of funds as well as disbursement of funds;
 - develop procedures to reconcile internal records with federal and state reports;
 - maintain a process to ensure that costs charged to grants are allowable, necessary and reasonable, and properly allocable and that these determinations are consistently applied;
 - determine whether indirect costs will be allocated to grant programs and, if so, maintain an appropriate process to make the allocation;
 - maintain a process to track information about local matching funds, including identification of the continuing source of such funds;
 - integrate grants in the annual budget process;
 - integrate grants in the government's cash flows planning; and
 - develop a contingency plan for funding services that will be continued even if the grant funds terminate.

²² Verbiage regarding grant administration activities and best practices was extracted from the GFOA Best Practices on Grant Administration. The actual policy is located in Attachment F.

3. Governments should maintain proper systems to support grants that:
 - ensure that systems will provide information to all involved parties to allow them to comply with both GAAP and grant requirements;
 - identify and segregate costs as necessary for the grant (e.g., separate allowable and unallowable costs, separate direct costs from indirect costs, and separate administrative costs);
 - develop systems and methods to account for and track capital items;
 - include the capability to track information for non-cash grants; and
 - develop a methodology to store and provide information electronically so that it is available to multiple users.
4. Maintain proper internal controls that:
 - document grant procedures;
 - maintain internal controls over accounting, financial reporting, and program administration;
 - maintain internal controls to identify and adhere to Federal and State compliance requirements, such as those relating to contracting;
 - consider the level of program risk (e.g., high, medium, low) when establishing internal controls; and
 - establish internal control procedures to ensure the reliability of information obtained from third parties (e.g., jobs, Buy America).
5. Maintain processes for sub-recipient monitoring that:
 - provide for programmatic monitoring, including requirements for sub-recipients to submit progress reports;
 - provide for administrative monitoring, including timely reporting and adherence to compliance requirements;
 - provide for financial monitoring, including an understanding of and adherence to cost principles;
 - establish periodic monitoring meetings;
 - provide for the receipt, review, and appropriate follow-up of single audit reports, when applicable; and
 - develop contacts with the state for funds that pass-through the state.
6. Establish continuous communication that:
 - develops a communication process with the sponsor/provider;
 - develops a communication process with those that have oversight responsibility including, when applicable, the Federal Cognizant Agency;
 - develops a communication process with external auditors;
 - develops a communication process with auditors engaged for single audit purposes; and
 - develops an interdisciplinary implementation task force within the government that meets regularly to discuss changes and how they should be implemented.
7. Processes to meet various specialized reporting requirements that:
 - maintain a comprehensive list of reporting requirements and a reminder system for meeting the reporting deadlines;
 - develops the methodology for the preparation of specialized reports;
 - develops an approval process for certifying specialized reporting; and
 - develops a process to aggregate all of the information needed for the schedule of expenditures of federal awards.

8. Ensure the completion of auditing requirements for grants that:
 - develops an understanding of audit requirements unique to the grant, including those in Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and applicable Office of Management and Budget (OMB) circulars;
 - develops an understanding of audit requirements that may be necessary for grant close-out; and
 - ensures the completion of audit procedures relating to the information to be included in GAAP-basis financial statements.

JEFFERSON PARISH PRACTICES

Seven (7) Departments reported having written policies and procedures (P&P) in place. Internal Audit obtained and reviewed the following:

DEPARTMENT	P&P DESCRIPTION
Community Development	<ol style="list-style-type: none"> 1) Departmental Policies and Procedures Manual; 2) First Time Home Buyer Program – P&P and Lender Guidelines; 3) Replacement Housing Guidelines; 4) Owner Occupied Rehabilitation Program Guidelines; 5) Hurricane Isaac Disaster Recovery Guidelines; 6) Emergency Solutions Grant Guidelines; and 7) Jefferson Joining Forces Program Guidelines.
Emergency Management	<ol style="list-style-type: none"> 1) Jefferson Parish Security Committee Standard Operating Procedures
Jefferson Community Action Programs (JeffCAP)	<ol style="list-style-type: none"> 1) JeffCAP Cost Principles and Allowability; 2) Procurement for Federal Grants; 3) Financial System Account Set-Up; 4) Revenue and Payment Receipt Management; 5) Employees Social Service Benefits Policy; 6) Records Retention Policy; 7) Head Start Non-Federal Share (In-Kind) Policy; and 8) CACFP Reimbursements and Receipt Verification
Public Safety Grants & Administration (PSG&A)	<ol style="list-style-type: none"> 1) Public Assistance Program and Policy Guide (FEMA); 2) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200); 3) Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) Sub Recipient Monitoring
Sewerage – provided policy listing only	<ol style="list-style-type: none"> 1) Project eligibility and conformance with national objectives; 2) Compliance reviews of bid documents and contract documents; 3) Environmental reviews; 4) Labor compliance, including David Bacon; 5) Section 3 compliance; 6) Invoice review and documentation; and 7) Recordkeeping
Transit	<ol style="list-style-type: none"> 1) Federal Transit Administration Drawdown Procedure
Workforce Development	<ol style="list-style-type: none"> 1) Supportive Services Procedures for LWDA 11; and 2) WIOA Youth Work Experience Policy

Both **Community Development and Jefferson Community Action Programs'** policies were reasonably comprehensive in terms of GFOA recommended elements. For example, the policies included such items as procedures for drawdowns, processes for ensuring costs charged to grants are allowable, and methodologies for providing reports to grantors. The two (2) Departments expended \$19,328,063 in federal award funds in 2019, representing thirty percent (30%) of the total spent.

The Department of **Emergency Management** policy is related to the Jefferson Parish Homeland Security Committee placed in service via a Jefferson Parish Ordinance²³. The committee's purpose is to "offer advice and counsel to the Parish or Policy Jury President on homeland security and emergency management issues." In addition, responsibilities include making "recommendations to the Jefferson Parish Council regarding the expenditures of Federal Homeland Security grants awarded to Jefferson Parish."

The **Department of Public Safety Grants and Administration** (PSG&A) is staffed by two positions, including its Director. This Department is responsible for assisting Parish Departments, mainly in the public safety areas, with grant opportunities in the application process. PSG&A researches and notifies other Departments of available grant funding, facilitates and assists with grant writing and application submission. Approval from the Administration or Council is obtained before grant application submission. Once awarded, the recipient Department is responsible for managing the grant under the monitoring of the Department of Accounting (see page 19 for more detail). One exception is that PSG&A manages Federal Emergency Management Administration (FEMA) Public Assistance grants. The Department also monitors grant activity, affects drawdowns of grant funds, and assists with compliance reviews and closeout of the grants, utilizing the policies and procedures listed in the table on the previous page. This Department also indicated having plans to draft an "Inter-Departmental monitoring policy." PSG&A operates more in a consultative and advisory capacity rather than being a direct recipient of funding. According to its Director, "This position is in a transitional stage of reassessing duties, including changes to the notification and assistance process expanding to all Departments in the parish."

Transit and Workforce Connections provided policies and procedures related to grantor program or project requirements. The policies generally contained a few elements as recommended by the GFOA but were not comprehensive. One should note that the Department of **Sewerage** did not provide actual policy documents. Instead, they offered a listing of policies in effect. For this reason, Internal Audit could not review such policies.

The **five (5) Departments** who received federal grant awards that reported they **do not have policies** and procedures in place were²⁴: 1) Community Justice - \$5,738; 2) EcoSystem and Coastal Management - \$176,934; 3) Engineering - \$6,406,023; 4) Floodplain \$19,307,467; and 5) Juvenile Services - \$428,106. Collectively they expended \$26,324,268 in federal award funds in 2019. Collectively the Departments represent forty-three point six percent (43.6%) of the total grant award expenditures.

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²³ JPCO Section 2-796, Ordinance 23956 (February 2, 2011)

²⁴ Amounts following each Department name represent respective federal award expenditures in 2019.

The **Department of Accounting** also plays a role in grant management. There are two (2) Grant Accountants within the Department of Accounting. One of those positions is vacant as of the writing of this report. Grant Accountants communicate with the grant Departments to set up and process budget entries and journal entries for their respective grant programs. The Grant Accountants review and approve direct expenditures for the grant Departments and periodically review the grant budget to actual activity. The Grant Accountants also assist in preparing drawdown requests for various Departments and setting up and updating contracts related to the grants. The Department records and monitors grant activities that occur throughout the Parish. They utilize internal policies and procedures to guide them, along with a checklist for setting up grant budgets.

FINDINGS AND RECOMMENDATIONS

4. Five (5) Departments that received federal grants reported that they do not have written policies and procedures in place. Lack of written policies and procedures can lead to inappropriate administration, resulting in not meeting all requirements for grants that a government receives. In such cases, the result can be a need to return some or all of the resources to the grantor.

Internal Audit recommends that all Departments who receive federal (and non-federal) grant awards have written policies and procedures in place. This action can be achieved with the assistance of the Departments that have written policies and procedures in place.

5. The Department of Public Safety Grants and Administration (PSG&A) assists Parish Departments, mainly in the public safety areas. The Department is in a transitional stage of reassessing duties, including changes to the notification and assistance process expanding to all Departments in the Parish.

A centralized grant management function can help ensure a consistent approach to grant management and aid in sharing resources such as policies and procedures and lessons learned in managing grants. Therefore, Internal Audit recommends the Parish Administration and PSG&A continue reassessing duties of PSG&A and include an assessment of expanding to all Departments.

Post-Award: Administration of Grants after Acceptance of the Grant Award.

RECAP OF RECOMMENDATIONS

#	Page	Recommendation
1	12	Internal Audit recommends that a Parishwide grants policy be put in place and that all applicable Departments are advised of such policy. The grants management policy should: a) outline the steps for identification and application of grants; b) include a requirement that Parish personnel obtain a solid understanding of grant terms and conditions, including multi-year benefits and cost-benefit analyses; c) require Departments to create a grant plan with timelines and parties responsible for implementing the steps of the plan; and d) require the Departments' staff to identify and attend appropriate grant training when available. Periodic training and dissemination of the policy itself will help ensure understanding and compliance.
2	12	Internal Audit recommends that a Grants Committee be formed and that Council grant authority to the committee to approve submission of grant applications within guidelines set forth by the Council, collaboratively with the Administration. The Committee should meet monthly or on a frequency as necessary and include the following: <ul style="list-style-type: none"> a) Department of Budget representative or equivalent, b) Department of Public Safety Grants and Administration (See the Post-Award section, page 18 for more information about this Department.) c) Department of Research and Budget or equivalent; d) Department representative (rotating in for each grant).
3	14	Internal Audit recommends that a grant manager position be formally identified for each grant award (federal or non-federal) the Parish receives. . Whether the grant manager identified is an employee of the Parish, or a contracted individual or organization, the Parish remains responsible for managing the grant funds.
4	19	Internal Audit recommends that all Departments who receive federal (and non-federal) grant awards have written policies and procedures in place. This action can be achieved with the assistance of the Departments that have written policies and procedures in place.
5	19	Internal Audit recommends the Parish Administration and PSG&A continue reassessing duties of the Department of Public Safety Grants & Administration and include an assessment of expanding to all Departments.

SUMMARY & REPORT WRAP UP

Grant management is decentralized throughout the Parish with individual Departments who identify and secure their grants and manage such grants until grant closeout or renewal. While decentralization may be effective and necessary due to the varied service programs, there is an opportunity to strengthen the grant management processes. For example, grants share commonalities in requiring the grantee to follow all the terms and conditions of the award and meet reporting requirements throughout the grant period. Additionally, similarities exist in processes to manage grants effectively.

A Parishwide grants policy should be put in place, along with a grants committee to help solidify and strengthen the grants management process and procedures. Additionally, a grants manager should be formally identified at the onset of each grant period. Written policies and procedures specific to each Department and grant award should be developed and maintained. The Parish can benefit from a more proactive approach to grant management related to grant identification and attainment.

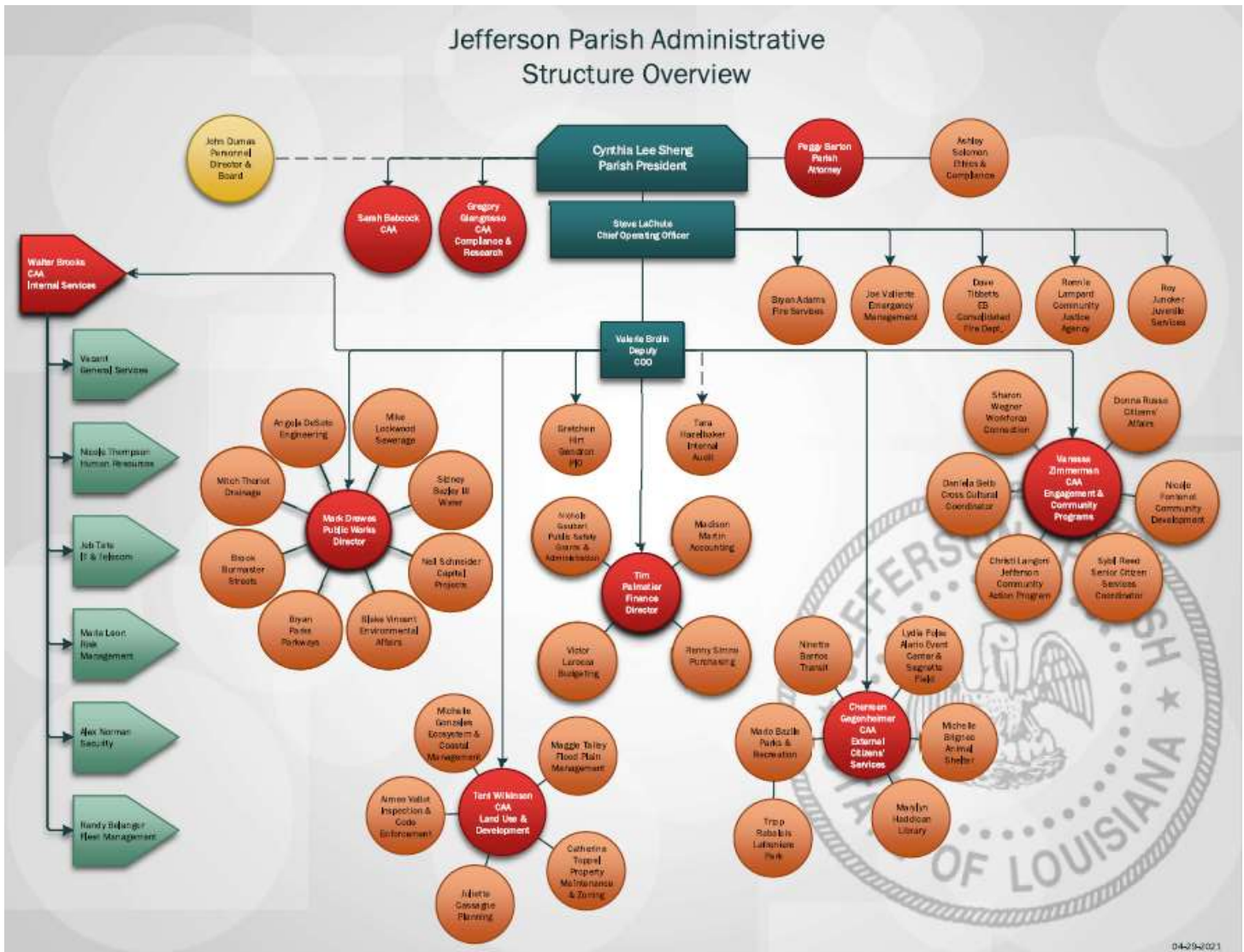
The Department of Public Safety Grants and Administration is already in place to assist Parish Departments, mainly in the public safety areas, with grant opportunities, grant monitoring, compliance reviews, and closeout of grants. Internal Audit supports the expansion of this Department's role to assist on a Parishwide basis, share knowledge and best practices, and help develop Department-specific policies and procedures throughout all Departments. The Parish should continue working with the Departments to unify the grants management process while still maintaining Departmental focus on respective grants.

Internal Audit would like to thank all grant receiving Departments involved in providing information for this report for their professionalism and responsiveness during this process, along with the various Jefferson Parish Directors and team members who contributed time and attention to this review.

******END REPORT******

ATTACHMENT A

JEFFERSON PARISH ADMINISTRATIVE STRUCTURE AS OF APR 29, 2021



#	Department Name:	Direct Fed	Sub of JP Direct	Sub of Non-JP Direct	Non-Fed Direct	Grant Mgr?	Written P&P?	Grant Acct?	Utilize Dept Acct?
1	Citizens Affairs	No							
2	Community Development	Yes				Yes	Yes	Yes	Yes
3	Senior Citizens Services	No							
4	JeffCAP	Yes				Yes	Yes	Yes	Yes
5	Cross Cultural Coordinator	No							
6	Alario Center	No							
7	JPAWS				Yes	No	No	No	No
8	Library				Yes	No	No	No	No
9	Recreation		Yes			No	No	No	No
10	Lafreniere Park		Yes			No	n/a	No	No
11	Transit	Yes				Yes	Yes	No	Yes
12	Floodplain Mgmt & Hazard Mitigation	Yes				Yes	No	No	Yes
13	PMZ	No							
14	Planning	No							
15	Inspection & Code	No							
16	Ecosystem and Coastal Mgmt	Yes				No	No	No	Yes
17	Sewerage	Yes	Yes			Yes	Yes	No	Yes
18	Water	No							
19	Capital Projects			Yes		Yes	No	No	No
20	Environmental Affairs			Yes	Yes	No	No	Yes	Yes
21	Parkways	No							
22	Streets	No							
23	Drainage		Yes			No	No	No	Yes
24	Engineering	Yes				No	No	No	Yes
25	Fire Services	No							
26	Emergency Management	Yes				Yes	Yes	Yes	No
27	EBCF		Yes			No	No	No	No
28	Community Justice Agency	Yes				Yes	No	No	Yes
29	Juvenile Services	Yes				Yes	No	No	Yes
30	Accounting	No							
31	Purchasing	No							
32	Budget	No							Yes
33	Public Safety Grants & Admin	Yes				Yes	Yes	Yes	Yes
34	General Services	No							
35	Human Resources	No							
36	IT	No							
37	Risk Management	No							
38	Security	No							
39	Fleet	No							
40	Personnel	No							
41	Workforce	Yes				Yes	Yes	Yes	Yes

ATTACHMENT B

GRANTS MANAGEMENT QUESTIONNAIRE

INTERNAL AUDIT GRANT MANAGEMENT QUESTIONNAIRE

2021.04.23

1. Department Name:

2. Name of Responder:

3. Phone Number:

4. Did you receive grant funds in 2018, 2019, or 2020?

a. If yes, who were the funders and for what were the funds used? (Example: Grant from Department of Labor to assist with job training) Please do not use acronyms.

b. If no, you are finished with this questionnaire.

5. Do you have a dedicated grant manager(s)?

a. If yes, who? (Name and Title)

6. Do you have written grant management policies and procedures in place?

a. If yes, please send them in PDF format via email to thazelbaker@jeffparish.net or provide a link to documents residing on the website.

b. If no, please email a separate document describing them.

7. Do you have a dedicated grant accountant(s) within the department?

a. If yes, who? (Name and Title)

8. Do you utilize or consult with a department of accounting grant accountant?

a. If yes, please describe interactions with accounting.

GFOA BEST PRACTICES – ESTABLISHING AN EFFECTIVE GRANTS POLICY

GFOA: BEST PRACTICES

Establishing an Effective Grants Policy

Governments should develop a formal grants policy and that such a policy should address steps to take prior to applying for or accepting grants.

Grants are an attractive form of funding for governments and frequently come with special requirements that the recipient must follow. Such requirements can apply to the general operations of the grant, specific compliance rules, monitoring of other parties that may receive resources from the grants, specific time frame, and specialized reporting requirements. There are typically negative consequences for failing to meet grant requirements and in addition, grants may, either as a condition of the grant itself or politically, commit a government to financially maintaining a program or asset after the expiration of the grant. An effective grants policy provides guidance to staff as it relates to associated processes and procedures in order to maximize the benefits and minimize the risks.

GFOA recommends that governments develop a formal grants policy. Further, GFOA recommends that such a policy address steps to take prior to applying for or accepting grants, and that the policy at minimum contain the following components:

1. *Grants identification and application.* A grants policy should require that the department or agency seeking a grant provide advance notice to appropriate authority, such as finance, so that the effects on the government, for example, budget, cash flow, procurement requirements, financial reporting, or compliance requirements can be reviewed and understood beforehand.
2. *Strategic alignment.* A grants policy should include a requirement for assessing the extent to which a grant is consistent with the government's mission, strategic priorities, and/or adopted plans as opposed to simply constituting additional funding for a department or agency of the government. Accepting a grant that is not consistent with the overall strategic direction of a government creates the risk that the government will spend its own funds to support a grant inconsistent with overall strategic direction or commit the government to own-source spending beyond the grant period (see cost/benefit analysis, below). Such a requirement could be for a formal strategic analysis, including the creation of outcome measures, or simply a statement of the way in which the grant would further the organization's mission or strategies followed by a review by a central agency such as a finance or budget office, strategic planning office, or legislative staff.

3. *Funding analysis.* Along with a review of strategic alignment, a grants policy should require a multi-year cost/benefit analysis prior to application or acceptance. The analysis should include matching funds (and whether or not they will need to be set aside) and any other direct costs associated with a grant, the extent to which overhead costs will be covered, in-kind contributions, audit and close-out costs, and potential costs that might need to be incurred by the government beyond the grant period. The analysis should also explore whether or not a grant requires that general revenues or a line of credit or grant anticipation notes be used to cover the gap between cash being expended and reimbursement is received by the government.
4. *Evaluation prior to renewal or grant continuation.* A grants policy should include an overall approach to grant renewals. Additionally, a grants policy should require an evaluation of the impacts of the grant-funded program or asset prior to deciding whether to continue a grant at the end of the initial grant period. Creating outcome measures before receiving a grant will help the government to determine the extent to which the grant program or asset has produced desired benefits. Such an analysis should also include a review of actual costs and the potential benefits of using general revenues associated with the grant for other purposes.
5. *Administrative and operational support.* A grants policy should also include a requirement that the government obtain a detailed understanding of grant terms and conditions and specify how the grant will be monitored. Examples of what should be required include establishment of procedures related to:
 - a. The development of a project plan that would include how new programs or activities funded by the grant would be implemented and who would be responsible for implementation.
 - b. The provision of training for those responsible for the grant, so they can effectively carry out their roles.
 - c. Terms and conditions for grant-funded personnel, such as severance and unemployment costs related to employees who are terminated upon expiration of the grant or operating and maintenance costs for assets that are acquired.
 - d. The system/process that will be used to charge expenses against the grant and to obtain reimbursement. This might require both technical procedures to account for time and materials and reporting, as well as training for employees so that they fully appreciate the importance of charging time and materials correctly.
 - e. Identify the individual/department responsible for carrying out the grant and making sure that proper resources are available to support that grant.

- **Board approval date:** Thursday, February 28, 2013

GFOA BEST PRACTICES – INTERNAL CONTROLS FOR GRANTS

GFOA: BEST PRACTICES

Internal Control for Grants

In regards to internal controls for grants, governments should adhere to the following framework: control environment, risk assessment, control activities, information and communication, and monitoring.

Federal, state, local and private entity grant funds often represent a significant source of funding for governments. In some governmental functions they represent the primary source of funding (e.g. housing, social services, etc.). As a result, it is crucial that governments have the proper framework for internal control to ensure that:

1. These resources are being utilized effectively and efficiently;
2. Assets purchased or developed with them are being safeguarded properly;
3. Financial reporting required by these grants is accurate and timely; and
4. Grant resources are being utilized in compliance with appropriate laws and regulations.

The most widely recognized source of guidance on internal control is the Committee of Sponsoring Organizations (COSO), which updated its classic *Internal Control-Integrated Framework* in 2013. The GFOA has organized the following best practice steps for grant internal control into COSO's five essential components of a comprehensive framework of internal control: 1) Control Environment; 2) Risk Assessment; 3) Control Activities; 4) Information and Communication; and 5) Monitoring, as follows:

1. Control Environment¹

- a. Alert agencies that policy decisions concerning grants are made entity-wide to ensure consistency and adherence to strategic planning goals;
- b. Ensure that each area of the grant process (programmatic, budgeting, accounting, etc.) is managed by competent staff who are knowledgeable in their areas of responsibility;
- c. Give staff authority and responsibility for their tasks associated with the grant;
- d. Hold staff accountable for their tasks; and
- e. In larger organizations, create cross-functional teams to support entity-wide grants management.

2. Risk Assessment²

- a. Perform and document a risk assessment of the entity's grants management processes;
 - b. Utilize a comprehensive, internal control questionnaire to facilitate the risk analysis;
 - c. Consider the level of program risk (e.g., high, medium, low) when establishing control activities;
 - d. Perform a cost/benefit analysis prior to installing a new control activity;
 - e. Consider the possibility and likelihood of fraud in the entity's grants management process; and
 - f. Identify and assess changes in the regulatory, technology, personnel and operating environment under which the grants are managed.
- 3. Control Activities³**
- a. Document both government-wide and individual grant policies;
 - b. Document both government-wide and individual grant procedures;
 - c. Develop a timeline and process for updating policies and procedures as changes occur;
 - d. Become knowledgeable of and adhere to federal, state, and local laws and regulations;
 - e. Establish control activities to ensure the reliability of information obtained from third parties (e.g., vendors);
 - f. Develop comprehensive, information technology policies and procedures;
 - g. Keep information technology policies and procedures current;
 - h. Become knowledgeable of and implement, as necessary, federal and state standards for financial management systems;
 - i. Utilize financial management systems to support compliance with grant-related legal and regulatory requirements;
 - j. Become knowledgeable of and implement, as necessary, federal and state standards for procurement; and
 - k. Utilize federal and state official debarment lists to update the government's list of vendors.
- 4. Information and Communication⁴**
- a. Document in a format accessible to stakeholders the purpose and the government's responsibilities for each of its grants;
 - b. Distinguish grants by source (federal, state, local, and private entity);
 - c. Identify the time periods required by the grants;
 - d. Identify grant reporting requirements;
 - e. Identify grants that require specialized administration;
 - f. Ensure that grant requirements are documented in vendor communication;
 - g. Ensure that grant information is available to internal stakeholders;
 - h. Develop ongoing communication and knowledge of grantors, and pass-through organizations;

- i. Develop an ongoing dialogue with financial statement, single audit, and program auditors concerning grant reporting and compliance; and
- j. Develop processes to ensure that quality, supportable information is utilized in grant decision making.

5. Monitoring⁵

- a. Develop a processes of ongoing (daily/weekly) and periodic (annual) programmatic control activities that ensures compliance with laws and regulations;
- b. Provide an annual periodic review of the risk assessment process;
- c. Ensure that program deficiencies are communicated to all responsible parties, including management and elected officials; and
- d. Ensure that corrective action plans are taking place, addressing the control deficiencies and responding to the deficiencies in a timely manner.

Notes:

1. The *control environment* is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization.
2. *Risk assessment* involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives.
3. *Control activities* are the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.
4. *Information and communication* are the continual iterative process of providing, sharing, and obtaining necessary information.
5. This represents the process of ongoing and periodic evaluations to ascertain whether the components of internal control are present and functioning. To the extent control deficiencies are found they are communicated, in a timely manner, to responsible parties, including senior management and elected officials, for corrective action.
This best practice was previously titled Framework for Entity-wide Grants Internal Control.

- **Board approval date:** Wednesday, September 30, 2015

GFOA BEST PRACTICES – ESTABLISHING A GRANTS OVERSIGHT COMMITTEE

GFOA: BEST PRACTICES

Establishing a Grants Administration Oversight Committee

State and local governments often receive significant grants from other governments and organizations to support their programs and activities. Often grants come with requirements that apply to operations, compliance, sub-recipient monitoring and reporting. Typically there are negative consequences for failing to meet these requirements, such as the need to return funds to the grantor. Likewise, a grant may result in a program that continues, or an asset that must be maintained, well beyond the expiration of the grant.

To help avoid these negative consequences or unanticipated burdens, the GFOA recommends that governments create both a grant administrative oversight policy (grant policy) and a grant administrative oversight committee (oversight committee) to ensure adherence to that policy.

A grant policy should: (1) require that certain steps be taken before applying for or accepting grants; and (2) address issues related to the ongoing operations of the grant. For example, rather than presuming that a grant will be renewed or continued, a grant policy should require that a grant-funded program or asset be evaluated before making a decision to renew or continue.

A centralized grant oversight committee should analyze grants before they are accepted, renewed, or continued to determine whether acceptance, renewal, or continuation would be appropriate. The GFOA recommends that a grant oversight committee be both interdisciplinary and permanent, and meet no less frequently than once each quarter.¹ The composition of the oversight committee should be as follows:

1. Representatives on the committee should include at a minimum the chief financial officer (CFO), budget manager, assistant city/county/town manager, or equivalent, internal auditor, or equivalent, grants administrator/coordinator, and at least one department head² (selection can be done on a rotating basis after a minimum term is served).³
2. In addition to the permanent members of the committee there should be flexibility to appoint subject matter experts on an ad hoc basis to help address specialized situations. As an example, there may be a need to deliberate human resources or legal issues. Depending on the need for these ad hoc members they may only need to be included for a short period of time.

The GFOA recommends that the oversight committee be involved *before* applying for, accepting, renewing, or continuing a grant to ensure that all of the following occur:

1. A department or agency that it is seeking a new grant or renewing an existing grant notifies the committee of its intent, which prompts the committee to analyze all applicable grant requirements before a decision to accept or renew is made;
2. A department or agency seeking a grant describes to the committee how the grant is consistent with the government's mission, strategic priorities and/or adopted plans. The fact that the grant would provide additional funding for a department is not reason, of itself, to attempt to obtain the grant;
3. A department or agency seeking resources performs a cost/benefit analysis prior to grant application or acceptance. As necessary, the department should perform the analysis with assistance from those with special expertise (e.g., engineers). This analysis would also include costs that the government may incur at the expiration/termination of the grant and costs that may be incurred because of requirements for the government to continue certain activities/programs after the grant expires/terminates (see points 7 and 8 below);
4. Oversight responsibility (both departmental and individual) is assigned for any new or renewed programs or activities that result from the grant, including responsibility for the financial reporting required by the grant;
5. It is determined how the grant will be monitored, including the monitoring of any sub-recipients that may receive pass-through grants;⁴
6. It is determined that proper resources will be available to support the grant (e.g., financial, human resource, information technology, etc.);
7. There is an evaluation of the potential need for the government to incur personnel costs after the term of the grant. Such costs could be for personnel that will terminate with the expiration/termination of the grant (e.g., severance, unemployment, etc.), or costs that the government may incur because of a need to retain employees for a specified period after the grant expires/terminates (e.g., a public safety grant that requires law enforcement personnel to remain employed for a specified period of time); and
8. There is an evaluation of the potential that the government will incur operating and maintenance costs for assets after the expiration of the grant.

Notes:

1 See GFOA's best practice on Grants Administration, 2013

2 The person selected should represent a department of the government that receives grant resources.

3 Smaller and/or special-purpose governments may not have all of the separate positions mentioned for the composition of the oversight committee. In such cases, consideration should be given to reducing the total number of members on the oversight committee, while including those that have responsibilities that would normally be associated with the listed positions.

4 In cases where a government finances grant programs of its own that provide resources to other governments, organizations, and individuals, the oversight committee can also handle the review of these grants to ensure that monitoring and sub-recipient monitoring of these programs are being performed.

- **Board approval date:** Saturday, January 31, 2015

GFOA BEST PRACTICES – GRANTS ADMINISTRATION

GFOA: BEST PRACTICES

Grants Administration

Governments should establish processes to promote awareness throughout the government that grants normally come with significant requirements.

State and local governments often receive significant grants from other governments and organizations to support their programs and activities. Often, grants come with specialized requirements that can apply to the general operations of the grant, specific compliance rules, monitoring of other parties that may receive resources from the grants, and specialized reporting requirements. There are typically negative consequences for failing to meet these requirements. Further, grants may, either as a condition of the grant itself or politically, commit a government to financially maintain a program or asset after the expiration of the grant. Accordingly, a government should develop a grants policy that requires certain steps to be taken before applying for or accepting grants to maximize the benefits of grants while minimizing their risks.¹

While it is important to have a grants policy, a government must also ensure that it does the appropriate administration of grants after their acceptance. Inappropriate administration can result in the failure to meet all requirements for grants that a government receives. In such cases the result can be a need to return some or all of the resources to the provider. Normally, a failure to meet all grant requirements is not intentional. Instead, the problem is often caused because all appropriate parties within the government are not aware of all the requirements or are not aware of the requirements at the appropriate time.

The Government Finance Officers Association (GFOA) recommends that governments establish processes to promote awareness throughout the government that grants normally come with significant requirements. Such processes should ensure that this awareness exists throughout the life of the grant and should address the following areas and include the following elements:

1. To ensure the efficient administration and operation of grant programs the government should:
 - maintain a process to monitor for changes in grant terms and conditions that occur after the acceptance of a grant;
 - establish a project plan with timelines and parties responsible for implementing the steps of the plan;
 - provide initial training for new and unfamiliar programs and continuing training, in general, for the government (both for oversight agencies, such as finance, and department/program staff that directly administer the grants) and others involved with the grant program (e.g., subrecipients); and
 - maintain a process to address specific personnel issues related to grants (e.g., whether salaries and/or benefits are eligible expenditures and if so, what are the related time-keeping requirements);

2. To ensure the efficient financial management of grants a government should:
 - develop appropriate cash management procedures for drawdown and receipt of funds as well as disbursement of funds;
 - develop procedures to reconcile internal records with federal and state reports;
 - maintain a process to ensure that costs charged to grants are allowable, necessary and reasonable, and properly allocable and that these determinations are consistently applied;
 - determine whether indirect costs will be allocated to grant programs and if so maintain an appropriate process to make the allocation;
 - maintain a process to track information about local matching funds including identification of the continuing source of such funds;
 - integrate grants in the annual budget process;
 - integrate grants in the government's cash flows planning; and
 - develop a contingency plan for funding services that will be continued even if the grant funds terminate.
3. Governments should maintain proper systems to support grants that:
 - ensure that systems will provide information to all involved parties to allow them to comply with both GAAP and grant requirements;
 - identify and segregate costs as necessary for the grant (e.g., separate allowable and unallowable costs, separate direct costs from indirect costs, and separate administrative costs);
 - develop systems and methods to account for and track capital items;
 - include the capability to track information for non-cash grants; and
 - develop a methodology to store and provide information electronically so that it is available to multiple users.
4. Maintain proper internal controls that:
 - document grant procedures;
 - maintain internal controls over accounting, financial reporting, and program administration;
 - maintain internal controls to identify and adhere to Federal and State compliance requirements, such as those relating to contracting;
 - consider the level of program risk (e.g., high, medium, low) when establishing internal controls; and
 - establish internal control procedures to ensure the reliability of information obtained from third parties (e.g., jobs, Buy America).
5. Maintain processes for sub-recipient monitoring that:
 - provide for programmatic monitoring including requirements for subrecipients to submit progress reports;
 - provide for administrative monitoring including timely reporting and adherence to compliance requirements;
 - provide for financial monitoring including understanding of and adherence to cost principles;
 - establish periodic monitoring meetings;
 - provide for the receipt, review, and appropriate follow-up of single audit reports, when applicable; and
 - develop contacts with the state for funds that pass-through the state.

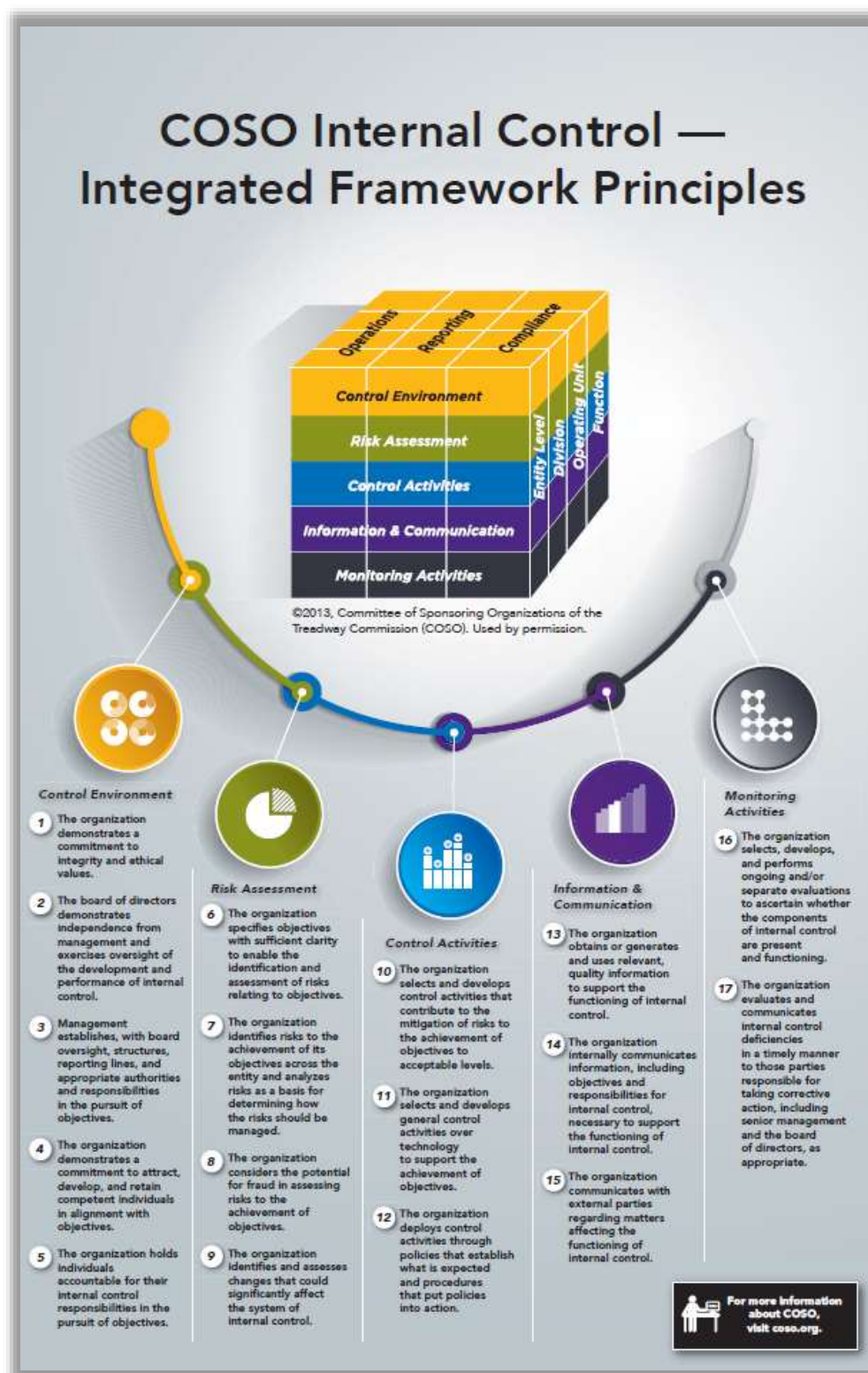
6. Establish continuous communication that:
 - develops a communication process with the sponsor/provider;
 - develops a communication process with those that have oversight responsibility including, when applicable, the Federal Cognizant Agency;
 - develops a communication process with external auditors;
 - develops a communication process with auditors engaged for single audit purposes; and
 - develops an interdisciplinary implementation task force within the government that meets regularly to discuss changes and how they should be implemented.
7. Processes to meet various specialized reporting requirements that:
 - maintain a comprehensive list of reporting requirements and a reminder system for meeting the reporting deadlines;
 - develops the methodology for the preparation of specialized reports;
 - develops an approval process for certifying specialized reporting; and
 - develops a process to aggregate all of the information needed for the schedule of expenditures of federal awards.
8. Ensure the completion of auditing requirements for grants that:
 - develops an understanding of audit requirements unique to the grant including those in Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Auditing Standards (GAAS), and applicable Office of Management and Budget (OMB) circulars;
 - develops an understanding of audit requirements that may be necessary for grant close-out; and
 - ensures the completion of audit procedures relating to the information to be included in GAAP-basis financial statements.

Notes:

1. See GFOA's best practice on *Establishing an Effective Grants Policy*, 2013
This best practice was previously titled *Administering Grants Effectively*.

- **Board approval date:** Friday, May 31, 2013

COSO INTERNAL CONTROL-INTEGRATED FRAMEWORK PRINCIPLES



ATTACHMENT H

EXAMPLE OF "ALL GRANTS" RESOLUTION

EXAMPLE 1 – ALL GRANTS KNOWN AND UNKNOWN

On motion of **Mr. Walker**, seconded by **Mr. Templet**, the following resolution was offered:

RESOLUTION NO. 136792

A resolution authorizing Jefferson Community Action Programs (JeffCAP) to submit applications for the renewal of the following grants (previous or current grant funding amounts listed):

1. Community Services Block Grant (CSBG) – \$1,256,161
2. Community Services Block Grant (CSBG) **CARES Act** Funding – \$1,580,600
3. Emergency Food and Shelter Program (United Way) – \$60,300
4. Low-Income Home Energy Assistance Program (LIHEAP) – \$3,527,388
5. Low-Income Home Energy Assistance Program (LIHEAP) **CARES Act** Funding – \$1,092,171
6. ATMOS –\$5000.00
7. Head Start Birth-to-Five Program (HS B-5) – \$7,226,352
8. Head Start Birth-to-Five **CARES Act** Funding – \$619,560
9. Early Head Start Expansion Grant (EHSE) – \$2,438,228
10. Early Head Start Expansion **CARES Act** Funding – \$140,609
11. Child & Adult Care Food Program (CACFP) – \$826,119
12. Jefferson Parish Community Development Sub-Recipient: HUD Housing Grant - First Time Home Buying Training Program – \$71,405
13. Louisiana Housing Corporation (LHC) HUD Grant – \$52,400
14. Capital One Housing Program Grant – \$5,000
15. Retired Senior Volunteer Program (RSVP) – \$58,566 and provide for related matters. (Parishwide)

WHEREAS, Resolution No. 132772 adopted December 5, 2018 authorized JeffCAP to submit applications for the renewal of grants; and

WHEREAS, the listed grants will be up for renewal; and

WHEREAS, these grants are funded by grantors of either a state, federal or non-profit nature; and

WHEREAS, the Head Start grant requires a 20% non-federal share in-kind match per the rules of the grant; and

WHEREAS, all other grants require no federal match; and

WHEREAS, the exact dollar amount for each grant will not be known until such time as the final allocations are made known by the funding source, and the various grant award amounts could increase or decrease depending on the final allocations or program operational costs, and the non-federal share amount may increase or decrease depending on the final allocations or program operational costs; and

WHEREAS, the most recent grant awards are listed to show approximate dollar value of each award opportunity; and

WHEREAS, additional funding opportunities, renewing or non-renewing, associated with named or unnamed grants may present themselves that would require the signature of the Council Chairperson, Parish President or, in their absence, the Vice-Chairperson; and

WHEREAS, the Jefferson Parish Council (Jefferson Parish Council acting as the Head Start Governing Board for the grantee Jefferson Parish) wishes to authorize the Chief Administrative Assistant of Federal Programs to provide for administrative oversight of the Head Start Birth to Five program as the direct liaison to the Jefferson Parish Council as the Head Start Governing Board giving the Chief Administrative Assistant of Federal Programs the authority to represent the board in matters pertaining to the Head Start Birth to Five program and the authorization to execute via signature or electronic signature as required, documents including but not limited to applications, contracts, agreements (upon review and certification of the Parish Attorney's office), operational and financial reports required by the funding source and grant fund acceptances and certification documents required to ensure compliance with the Department of Health and Human Services and the Office of Head Start rules, mandates and regulations.

NOW THEREFORE, BE IT RESOLVED by the Jefferson Parish Council of Jefferson Parish Louisiana acting as governing authority of said Parish:

SECTION 1. That the Jefferson Parish Council hereby authorizes Jefferson Community Action Programs to submit applications for the renewal of the following grants (previous or current grant funding amounts listed):

1. Community Services Block Grant (CSBG) -- \$1,256,161
2. Community Services Block Grant (CSBG) CARES Act Funding -- \$1,580,800
3. Emergency Food and Shelter Program (United Way) -- \$60,300
4. Low-Income Home Energy Assistance Program (LIHEAP) -- \$3,527,388
5. Low-Income Home Energy Assistance Program (LIHEAP) CARES Act Funding -- \$1,092,171
6. ATMOS --\$5000.00
7. Head Start Birth-to-Five Program (HS B-5) -- \$7,226,352
8. Head Start Birth-to-Five CARES Act Funding -- \$619,860
9. Early Head Start Expansion Grant (EHSE) -- \$2,438,228
10. Early Head Start Expansion CARES Act Funding -- \$140,809
11. Child & Adult Care Food Program (CACFP) -- \$826,119
12. Jefferson Parish Community Development Sub-Recipient:
HUD Housing Grant - First Time Home Buying Training Program -- \$71,405
13. Louisiana Housing Corporation (LHC) HUD Grant -- \$52,400
14. Capital One Housing Program Grant -- \$5,000
15. Retired Senior Volunteer Program (RSVP) -- \$58,566

SECTION 2. That additional funding opportunities, renewing or non-renewing, associated with named or unnamed grants may present themselves that would require the signature of the Council Chairman or, in his absence, the Vice-Chairman.

SECTION 3. That the Jefferson Parish Council authorizes the Chief Administrative Assistant for Engagement and Community Programs or Director of Jefferson Community Action Programs to execute all documents, including but not limited to the applications, contracts and agreements (upon review and certification of the Parish Attorney's office), operational and financial reports required by the funding source and grant fund acceptances in the operation of the above referenced programs.

SECTION 4. That the Jefferson Parish Council (Jefferson Parish Council acting as the Head Start Governing Board for the grantee Jefferson Parish) authorizes the Chief Administrative Assistant of Federal Programs to provide for administrative oversight of the Head Start Birth to Five program as the direct liaison to the Jefferson Parish Council (acting as the Head Start Governing Board), giving the Chief Administrative Assistant of Federal Programs the authority to represent the board in matters pertaining to the Head Start Birth to Five program and the authorization to execute via signature or electronic signature as required, documents including but not limited to applications, contracts, agreements (upon review and certification of the Parish Attorney's office), operational and financial reports required by the Department of Health and Human Services and the Office of Head Start and grant fund acceptances and certification documents required to ensure compliance with the Department of Health and Human Services and the Office of Head Start rules, mandates and regulations.

SECTION 5. That the Jefferson Parish Council authorizes the Council Chairperson or, in their absence, the Vice-Chairperson to sign all related applications, contracts, and/or agreements giving full effect thereto.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:


YEAS: 7

NAYS: None

ABSENT: None

The resolution was declared to be adopted on this the 9th day of December, 2020.

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY


EULA A. LOPEZ
PARISH CLERK
JEFFERSON PARISH COUNCIL

EXAMPLE 2 – SPECIFIC GRANT

On motion of **Mr. Templet**, seconded by **Mr. Walker**, the following resolution was offered:

RESOLUTION NO. 137898

A resolution approving the **FY 2021 Action Plan** for the **Jefferson HOME Consortium** that contains the budgets and activities to be undertaken with Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Solutions Grant (HESG) program funds from the U. S. Department of Housing and Urban Development (HUD) for Jefferson Parish, St. Charles Parish and the City of Kenner's HOME Program and providing for related matters, (Parishwide).

WHEREAS, HUD requires one submission package that includes the annual FY 2021 Action Plan for the CDBG, HOME, and HESG programs for these areas as part of the Jefferson HOME Consortium; and

WHEREAS, the fiscal year for each of these programs will be from July 1, 2021 to June 30, 2022, and.

WHEREAS, HUD requires a 5-day citizen comment period, and this period started on June 11, 2021, with the publication of the draft Action Plan in "The Advocate," and ended on June 25th, 2021, the date of the Public Meeting regarding the FY2021 Action Plan, and that a summary of all written comments was sent to the Parish Council prior to its consideration of these plans.

NOW, THEREFORE, BE IT RESOLVED, by the Jefferson Parish Council of Jefferson Parish, Louisiana, acting as governing authority of said Parish:

SECTION 1. That the FY-2021 Action Plan for the Jefferson HOME Consortium that describes the activities and budgets to be undertaken with FY 2021 CDBG (Fund 21280), HOME (Fund 21340), and HESG (Fund 21390) grant funds from HUD is hereby accepted and approved.


SECTION 2. That the Jefferson Parish President and or designee, including the Director of Community Development, as per approved Resolution 134030, as required, is authorized to sign all necessary documents in reference to the required grant agreements, contracts for subrecipients, environmental reviews and any and all or other documents and requirements for the CDBG, HOME, and HESG Annual Entitlement Funds.

The foregoing resolution, having been submitted to a vote, the vote thereon was as follows:

YEAS: 7 NAYS: None ABSENT: None

The resolution was declared to be adopted this the **30th day of June, 2021.**

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY


EULA A. LOPEZ
PARISH CLERK
JEFFERSON PARISH COUNCIL

EXAMPLE 3 – GENERAL AUTHORITY

On motion of **Mr. Conley**, seconded by **Ms. Lee-Sheng**, the following resolution was offered:

RESOLUTION NO. 134030

A resolution appointing Nicole Fontenot to the position of Director of Community Development Department and naming the Director of the Community Development Department (CD) as the Parish President's designee to sign any and all documents required by the Department of Housing and Urban Development (HUD) for funding received and applied for by the Parish through the Community Development Department, including but not limited to: applications for funding, grant agreements, mortgages, certifications, environmental reviews for entities assuming HUD environmental responsibilities and other regulations, forms, etc. (Parishwide)

WHEREAS, Nicole Fontenot meets all of the qualifications required by Section 2-432 of the Jefferson Parish Code of Ordinances to be appointed to the position as Director of Community Development; and,

WHEREAS, the Department of Housing and Urban Development recognizes the Parish President as the Chief Executive Officer of the Parish; and,

WHEREAS, this designation requires the Parish President sign all documents associated with funding received and applied for from HUD; and,

WHEREAS, it is the desire of the Parish President to name the Director of the Community Development Department as his designee to sign any and all documents.

NOW, THEREFORE, BE IT RESOLVED by the Jefferson Parish Council acting as governing authority of said Parish:

SECTION 1. That the appointment of Nicole Fontenot to the position Director of Community Development is hereby approved in accordance with Section 2-432 of the Jefferson Parish Code of Ordinances.

SECTION 2. The salary for the Community Development Director shall be established by the parish president within the pay grade for the position as defined in the executive pay plan.

SECTION 3. That the Director of Community Development is hereby named as the Parish President's designee and is authorized to sign any and all documents required by the Department of Housing and Urban Development (HUD) for funding received and applied for by the Parish through the Community Development Department, including but not limited to applications for funding, grant agreements, certifications, mortgages, environmental reviews for entities assuming HUD environmental responsibilities, and other regulations, forms, etc.

SECTION 4. That the Council Chairperson or in her absence the Vice Chairperson is hereby authorized to execute any and all documents necessary to give full force and effect to this resolution.

The foregoing resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: 7

NAYS: None

ABSENT: None

The resolution was declared to be adopted on this the 24th day of July, 2019.

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY



EULA A. LOPEZ

PARISH CLERK

JEFFERSON PARISH COUNCIL

ATTACHMENT 1

AUDITOR INDEPENDENCE STATEMENT

According to Ordinance No. 26063 (September 16, 2020), Sec.2-162.2(a) and (d), the Director of Internal Audit "shall engage in internal audit activities and complete engagements in an independent manner, free of any organizational or personal impairment. The Director shall attest in writing that all activity was concluded with independence, free from organizational or personal impairment."

Sec. 2-162.2. - Independence and objectivity; professional standards.

(a) The department function must be independent to retain objectivity, and the department's independence allows the director to make assessments impartially and without bias while avoiding conflicts of interest. In furtherance of the operation of an independent and objective department, the department shall use the following standards in the completion of all engagements and in the conduct of all activity:

- (1) The standards and code of ethics produced by the Institute of Internal Auditors and published in the *Professional Practices Framework*;
- (2) The standards and principles produced by the Government Accountability Office and published in the *Government Auditing Standards*; and
- (3) The professional and ethical standards issued by the American Institute of Certified Public Accountants.

(d) The director shall engage in internal audit activities and complete engagements in an independent manner, free of any organizational or personal impairment. The director shall attest in writing that all activity was concluded with independence, free from organizational or personal impairment. Any impairment to independence, organizational or personal, shall be reported in writing to the council and copied to the parish president and the inspector general within seven (7) business days of discovering the impairment, organizational or personal.

The following is the required attestation meant to comply with both professional standards and Jefferson Parish Ordinance No. 26063.

ATTESTATION:

Internal Audit Report #2021-004 was conducted with independence and free from organizational or personal impairment.



TARA HAZELBAKER, CPA, CIA
DIRECTOR OF INTERNAL AUDIT



ATTACHMENT #2

RESPONSE FROM PARISH ADMINISTRATION



CYNTHIA LEE SHENG
PARISH PRESIDENT

JEFFERSON PARISH

OFFICE OF THE PRESIDENT

October 4, 2021

Via Electronic Mail

Tara Hazelbaker, Director
Internal Audit Department
Joseph S. Yenni Building
1221 Elmwood Park Blvd., Suite 306
Jefferson, LA 70123

RE: Internal Audit Report #2021-004
Grant Management Performance Audit

Dear Ms. Hazelbaker:

In accordance with Sec. 2-162.5(b), Jefferson Parish Code of Ordinances, the Administration provides the following response to Internal Audit Report #2021-004: Grant Management Performance Audit ("Report"), received by the Administration on August 10, 2021.

The Report contains five (5) "Recommendations" each of which is addressed below.

Recommendation: 1. Internal Audit recommends that a Parishwide grants policy be put in place and that all applicable Departments be advised of such policy. The grants management policy should: a) outline the steps for identification and application of grants; b) include a requirement that Parish personnel obtain a solid understanding of grant terms and conditions, including multi-year benefits and cost-benefit analyses; c) require Departments to create a grant plan with timelines and parties responsible for implementing the steps of the plan; and d) require the Departments' staff to identify and attend appropriate grant training when available. Periodic training and dissemination of the policy itself will help ensure understanding and compliance.

Response: As noted in the Report, Page 6, in 2019 Jefferson Parish received one hundred thirteen (113) Federal grants directed to twelve (12) different Jefferson Parish Departments. Each of those grants possesses specific post award financial and programmatic requirements. Accordingly, a single Parishwide grants policy to address each grant's post award requirements would be impracticable and infeasible given those post grant award imposed financial and reporting requirements. Notwithstanding, the Administration will explore the adoption of specific grant related post award policies and procedures by each Department and Parishwide policies and procedures applicable to periods prior to applying for, and accepting, grants.

Recommendation: 2. Internal Audit recommends that a Grants Committee be formed and that Council grant authority to the committee to approve submission of grant applications within guidelines set forth by the Council, collaboratively with the Administration. The Committee

should meet monthly or on a frequency as necessary and include the following: a) Department of Budget representative or equivalent, b) Department of Public Safety Grants and Administration (See the Post-Award section, page 18 for more information about this Department.) c) Department of Research and Budget or equivalent; d) Department representative (rotating in for each grant).

Response: As noted in the Recommendation, Council and Administration collaboration is appropriate relative to creation of a Grants Committee, with the Council granting authority to that Grants Committee as it determines appropriate.

Recommendation: 3. Internal Audit recommends that a grant manager position be formally identified for each grant award (federal or non-federal) the Parish receives. Whether the grant manager identified is an employee of the Parish, or a contracted individual or organization, the Parish remains responsible for managing the grant funds.

Response: Agreed. Such designation by Council Resolution at the time of Council, or Grants Committee, authorization of grant application may be appropriate.

Recommendation: 4. Internal Audit recommends that all Departments who receive federal (and non-federal) grant awards have written policies and procedures in place. This action can be achieved with the assistance of the Departments that have written policies and procedures in place.

Response: See Response to Recommendation 1 above.

Recommendation: 5. Internal Audit recommends the Parish Administration and PSG&A continue reassessing duties of the Department of Public Safety Grants & Administration and include an assessment of expanding to all Departments.

Response: The Department of Public Safety Grants & Administration ("PSG&A") has, since its creation, been a one-person Department. (See Ord. No. 25017, Section 1, September 23, 2015). In 2021, the Administrative Specialist IV, Finance Department, accepted appointment to the PSG&A Directorship. Subsequently the duties and responsibilities of the Administrative Specialist IV position, especially those related to FEMA disaster recovery grants including and not limited to, application, program and financial reporting, and compliance, were transferred to PSG&A. The transfer of duties and responsibilities from one Department to another does not necessarily provide for expansion to "all Departments". This Department must be prepared for disaster related comprehensive and extensive workload occasioned upon it as a result of hurricanes, pandemics, etc. which will be considered in the future development of this Department.

Thank you for your assistance, and for providing us an opportunity to respond.

If you have any questions, please contact me at your earliest convenience.

Sincerely,


Cynthia Lee Sheng
Parish President

cc: Honorable Ricky Templet, Councilman at Large, Div. A
Honorable Scott Walker, Councilman at Large, Div. B
Honorable Marion Edwards, Councilman, Dist. 1
Honorable Deano Bonano, Councilman, Dist. 2
Honorable Byron Lee, Councilman, Dist. 3
Honorable Dominick Impastato, Councilman, Dist. 4
Honorable Jennifer Van Vrancken, Councilwoman, Dist. 5

JOSEPH S. YENNE BUILDING - 1221 ELWOOD PARK BLVD - SUITE 1002 - JEFFERSON, LA 70123 - PO BOX 10242 JEFFERSON, LA 70181 -
0242
OFFICE 504.736.6400

GENERAL GOVERNMENT BUILDING-200 DERRIGBY ST - SUITE 6100 - GRETN, LA 70055 - PO BOX 9 - GRETN - LA 70054
OFFICE 504.364.2700

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