

**CITY OF DOVER, DELAWARE**

**Single Audit Together with  
Reports of Independent Public Accountants**

**For the Year Ended June 30, 2014**

**JUNE 30, 2014**

**CONTENTS**

Report of Independent Public Accountants	1
Report of Independent Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
Report of Independent Public Accountants on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	6
Schedule of Expenditures of Federal Awards	9
Notes to the Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11
Schedule of Prior Year Audit Findings and Questioned Costs	17



## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Honorable Mayor and Members of the  
City Council of Dover, Delaware  
Dover, Delaware

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover Delaware (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the general fund - schedule of revenues, expenditures, and changes in fund balance - budget and actual, the governmental capital projects fund - schedule of revenues, expenditures and changes in fund balance - budget and actual, and required supplemental schedules of funding progress and schedules of employer contributions for the Pension Plans Funds and Other Post Employment Plan, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the combining nonmajor fund financial statements and other budgetary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and other budgetary information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and other budgetary information and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



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The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hunt Valley, Maryland  
December 16, 2014



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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members of the  
City Council of Dover, Delaware  
Dover, Delaware

**Report on the Financial Statements**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dover, Delaware (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2014.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hunt Valley, Maryland  
December 16, 2014



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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor and Members of the  
City Council of Dover, Delaware  
Dover, Delaware

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Dover's (the City) compliance with the types of compliance requirements described in U.S. OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the City's major Federal programs for the year ended June 30, 2014. The City's major Federal programs are identified in the summary of independent public accountant's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its Federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the compliance for each of the City's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2014.





### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as 2014-001 and 2014-002. Our opinion on each major Federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The City's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hunt Valley, Maryland  
March 18, 2015

# CITY OF DOVER, DELAWARE

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2014

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>CFDA Number</b>	<b>Pass-through or Grant Number</b>	<b>Federal Expenditures</b>
<b>Department of Housing and Urban Development</b>			
Community Development Block Grant	14.218	B-11-MC-10-0002	\$ 796
Community Development Block Grant	14.218	B-12-MC-10-0002	98,397
Community Development Block Grant	14.218	B-13-MC-10-0002	212,321
<u>Passed through State of Delaware</u>			
Neighborhood Stabilization Program	14.228	Contract No. NSP 02-08	80,550
<b>Total Department of Housing and Urban Development</b>			<b>392,064</b>
<b>Department of Justice</b>			
2012 CJC Grant	16.738	2012-DJ-BX-0414	8,952
Subgrant number DB12-9	16.738	2012-DJ-BX-0414	1,500
Byrne Grant	16.738	2012-DJ-BX-0242	13,793
Byrne Grant	16.738	2013-DJ-BX-0486	43,499
Title V - Delinquency Prevention Program	16.548	JD10-92	5,540
Title V - Delinquency Prevention Program	16.548	JD11-92	17,950
Federal Forfeiture Funds	16.000	DE0010100	20,268
<b>Total Department of Justice</b>			<b>111,502</b>
<b>National Endowment for the Arts</b>			
Project Support Grant	45.025	2014.6698	2,500
<b>Department of Homeland Security</b>			
Department of Technology and Information	97.067	FY10.013	1,000
<b>Total Expenditures of Federal Awards</b>			<b>\$ 507,066</b>

The accompanying notes are an integral part of this schedule.

## CITY OF DOVER, DELAWARE

### Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2014

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Federal grant operations of the City of Dover, Delaware (the City) are included in the scope of Office of Management and Budget (OMB) Circular A-133 Audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB Circular A-133, Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. The programs on the Schedule of Expenditures of Federal Awards represent all Federal award programs and other grants with fiscal year 2014 cash or non-cash expenditure activities. For our single audit testing, we tested Federal award programs to ensure coverage of at least 50% of Federally granted funds. Our actual coverage was 61%. The major programs tested are listed below.

<b>Major Program</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>
Community Development Block Grant	14.218	\$ 796
Community Development Block Grant	14.218	98,397
Community Development Block Grant	14.218	212,321
<b>Total Major Program</b>		<b>\$ 311,514</b>

#### 2. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards is prepared on the accrual basis of accounting.

#### 3. SUB-RECIPIENTS OF FEDERAL AWARDS

The City passed funds to sub-recipients totaling \$231,552, during the year ended June 30, 2014. A summary of the entities which the funds were passed to is listed below:

<b>Recipient</b>	<b>CFDA</b>	<b>Amount Paid to Sub-Recipient</b>
Millford Housing Development Corporation	14.218	\$ 142,500
NCALL	14.218	9,500
Dover Interfaith Mission	14.218	40,978
Elizabeth W. Murphey School	14.218	38,574
<b>Total</b>		<b>\$ 231,552</b>

## CITY OF DOVER, DELAWARE

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014

#### Section I –Summary of Independent Public Accountants’ Results

##### Financial Statements

Type of independent public accountants’ report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies: None noted

Noncompliance material to financial statements? No

##### Federal Awards

Type of report of independent public accountants’ issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies: No

Audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes

##### Identification of Major Programs:

Major Program	Federal CFDA	Federal Expenditures
Community Development Block Grant	14.218	\$ 796
Community Development Block Grant	14.218	98,397
Community Development Block Grant	14.218	212,321
		<u>\$ 311,514</u>
Dollar threshold used to determine Type A and B programs		\$ 300,000
Does the City qualify as a low-risk auditee?		No

**CITY OF DOVER, DELAWARE**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014**

**Section II –Financial Statement Findings**

None noted.

**Section III –Federal Award Findings**

2014-01 and 2014-02.

## **CITY OF DOVER, DELAWARE**

### **Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014**

**Reference Number: 2014-001**

**Program Number: CFDA #14.218      Community Development Block Grant**

**Type of Finding: Noncompliance**

**Compliance Requirement(s): Allowable Costs, Payroll and Fringe Benefits**

#### ***Criteria:***

The allowable costs that a governmental unit provides to its agencies may be allocated or billed to the user agencies. The State/local required documentation of the methods used by the governmental unit to identify and accumulate these costs, and to allocate them or develop billing rates based on them.

#### ***Condition:***

During our testing on allowable costs, we noted that one of the employees was charged her holiday to Federal expenditure even though she is working on multiple grants/projects. Even holiday is allowable based on the grant agreement; the holiday should be allocated based on level of effort between the grants/projects that she worked at.

#### ***Cause:***

The City did not allocate holiday time between grants/projects.

#### ***Effect:***

The Federal programs were charged full holiday benefit for the employee.

#### ***Recommendation:***

We recommend the City to monitor the level of effort of the employee and allocate the holiday benefit based on the effort.

#### ***Questioned costs:***

Unknown.

**CITY OF DOVER, DELAWARE**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014**

**Reference Number: 2014-001** (continued)

***Corrective Action Plan:***

Effective immediately, all sick, vacation, holiday, and other paid time off will be charged to the Planning Office General Fund budget and not to the CDBG Administration budget.

***Auditor Conclusion:***

The finding remains as stated.



## **CITY OF DOVER, DELAWARE**

### **Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014**

**Reference Number: 2014-002**

**Program Number: CFDA #14.218      Community Development Block Grant**

**Type of Finding: Noncompliance**

**Compliance Requirement(s): Subrecipient Monitoring**

***Criteria:***

A pass-through entity is responsible for (1) ensuring that subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient's audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient's audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions

***Condition:***

During our testing of sub-recipient monitoring, we noted that the monitoring activity for one of the sub-recipient was not completed until after the year end.

***Cause:***

The sub-recipient was at a different year end at the City. At the time the City request the audited report from the sub-recipient, the report was not yet available. The City did not follow up on the report from the sub-recipient on a timely manner.

***Effect:***

The monitoring activity for the selected sub-recipient was not performed timely.

***Recommendation:***

We recommend the City to set up a timeline to request and follow up on sub-recipient's report.

***Questioned costs:***

None.

**CITY OF DOVER, DELAWARE**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014**

**Reference Number: 2014-002** (continued)

***Corrective Action Plan:***

The monitoring plan going forward will include sending to the Controller/Treasurer:

- A semi-annual copy of the sub-recipients financial reports
- Any technical reports
- Documentation supporting on-site reviews and risk assessments
- Follow up reviews to insure corrective actions are implemented
- Any issues with management's decisions regarding audit findings
- Verification that each sub-recipient has completed audits

***Auditor Conclusion:***

The finding remains as stated.

## **CITY OF DOVER, DELAWARE**

### **Schedule of Prior Year Findings and Questioned Costs For the Year Ended June 30, 2013**

**Reference Number: 2013-01**

**Program Number: CFDA #16.738      FY10 LE Training & OT**  
**CFDA #16.727      FY 2012 ATF**

**Type of Finding: Noncompliance, Significant Deficiency**

**Compliance Requirement(s): Allowable Costs, Payroll and Fringe Benefits**

***Criteria:***

Per the 2011 Financial Guide, U.S. Department of Justice, Office of Justice Program, allowable costs, overtime compensation:

1. You should compensate recipient and sub-recipient employees with overtime payments for work performed in excess of the established work week (usually 40 hours).
  - a. Payment of more than occasional overtime is subject to periodic review by the awarding agency.
  - b. In addition, overtime compensation is typically reviewed during site visits and audits.
2. Executives, such as the president or executive director of an organization, may not be reimbursed for overtime or compensatory time under grants and cooperative agreements.
3. In no case is dual compensation allowable. That is, an employee of a unit of Federal, State, or local government may not receive compensation from his/her unit or agency of government and from an award for a single period of time (e.g., 1 to 5 p.m.), even though such work may benefit both activities.

***Condition:***

The City allows officers to receive compensation for vacation/leave time and from Federal award for a single period of time (e.g. 1 to 5 p.m.). The officers are working an extra-duty shift that is paid at time and half and charged against the Federal grant. The City was notified by the pass-through granting agency that this was an allowable activity.

***Cause:***

The City is not familiar with the allowable costs of the grants

***Effect:***

The Federal programs were charged with OT, while the officer had not worked more than 40 hours during the week.

***Recommendation:***

We recommend the City work with Federal agencies in developing policies and procedures related to the charging of overtime.

***Questioned costs:***

Unknown.

**CITY OF DOVER, DELAWARE**

**Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2013**

**Reference Number: 2013-01** (continued)

***Corrective Action Plan:***

Our Chief of Police has implemented your recommendation for the City to ensure that officers who are working on Federal grants and less than 40 hours in a week do not charge overtime rates to the Federal government.

***Auditor Conclusion:***

This is not a repeating finding.

## **CITY OF DOVER, DELAWARE**

### **Schedule of Prior Year Findings and Questioned Costs For the Year Ended June 30, 2013**

**Reference Number: 2013-02**

**Program Number: All**

**Type of Finding: Significant Deficiency**

**Compliance Requirement(s): Allowable Costs**

#### ***Criteria:***

Per the 2011 Financial Guide, U.S. Department of Justice, Office of Justice Program, support of salaries, wages, and fringe benefits:

Charges made to Federal awards for salaries, wages, and fringe benefits will be based on payroll records approved by a responsible official(s) and in accordance with the generally accepted practice of the organization.

- Where recipient employees are expected to work solely on a single Federal award, charges for their salaries must be supported by periodic certifications.
- These certifications must be prepared at least every 6 months and signed by the employee and supervisory official having firsthand knowledge of the employee's work.
- Where grant recipients work on multiple grant programs or cost activities, a reasonable allocation of costs to each activity must be made based on time and/or effort reports (e.g., timesheets). These reports must:
  - Reflect an after-the-fact distribution of the actual activity of each employee;
  - Account for the total activity for which each employee is compensated;
  - Be prepared monthly and coincide with one or more pay periods; and
  - Be signed by the employee and approved by a supervisory official having firsthand knowledge of the work performed.
- In cases where two or more grants constitute one identified activity or program, salary charges to one grant may be allowable after written permission is obtained from the awarding agency.

#### ***Condition:***

During procedures performed to understand controls, SBC confirmed that officers that are being charged to the grants are not reporting their time individually. Officers have the ability to record time for another officer.

#### ***Cause:***

The City is unaware of the time reporting requirements applicable to Federal grants.

#### ***Effect:***

Federal grants may have been charged incorrectly due to weak internal control over time reporting.

**CITY OF DOVER, DELAWARE**

**Schedule of Prior Year Findings and Questioned Costs  
For the Year Ended June 30, 2013**

**Reference Number: 2013-02** (continued)

***Recommendation:***

We recommend that the City adjust their time reporting system to restrict users from the ability to report time on another individual's behalf.

***Questioned costs:***

Undeterminable.

***Corrective Action Plan:***

We are developing City-wide procedures and internal control processes that will restrict users from the ability to report time on another individual's behalf.

***Auditor Conclusion:***

This is not a repeating finding.