

**Post-Audit Review 17-01:
Growing Small Business Initiative**

December 2017

City Auditor

Stan Sewell, CPA, CGFM, CFE

Internal Auditor

Richard Walls, CPA, CIA





OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

December 20, 2017

To: Mayor Andy Berke
City Council Members

Subject: Post-Audit Review of Growing Small Business Initiative Audit (Report #17-01)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2017 Growing Small Business Initiative report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded written policies and procedures are needed to serve as a reference guide for administering the program; collaboration is needed with the Office of City Attorney to strengthen the language of the grant agreement; and, written policies and procedures are needed that provide reasonable assurance adequate supporting documentation for all transactions will be obtained and retained.

The audit had three recommendations to improve efficiency and effectiveness of the growing small business initiative process as well as strengthen the language of the grant agreement. At the time of this Post-Audit Review, all three were implemented.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
 Stacy Richardson, Chief of Staff
 Maura Sullivan, Chief Operating Officer
 Daisy Madison, Chief Financial Officer
 Donna Williams, Administrator, Economic and Community Development
 Jim Arnette, TN Local Government Audit

RECOMMENDATIONS FULLY IMPLEMENTED (3)

Recommendation	Actions Taken
1 We recommended ECD establish written policies and procedures (administrative rules), including notification to the City Council for grants made under the City's Small Business Incentive Program. A copy of the related policies and procedures should be provided to the Clerk of the City Council.	ECD established a written framework of policies and procedures (administrative rules), including notification to the City Council, to govern the Growing Small Business Initiative Program. This written framework will serve as a reference guide for designated staff administering the program. A copy of these written rules was provided to the Clerk of the City Council.
2 We recommended ECD involve the Office of City Attorney in all phases of the formation of grant agreements.	ECD collaborated with the Office of City Attorney to strengthen the language of the grant agreement. A new grant agreement template has been prepared.
3 We recommended ECD develop and implement written policies and procedures (administrative rules) that provide reasonable assurance adequate supporting documentation for all transactions will be obtained and retained.	ECD established a written framework of policies and procedures (administrative rules) that provide reasonable assurance that adequate supporting documentation for all transactions will be obtained and retained.

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