



**CORRECTIVE ACTION PLAN FOR FINDINGS REPORTED UNDER UNIFORM GUIDANCE**

**City of Vancouver  
January 1, 2021 through December 31, 2021**

This schedule presents the corrective action planned by the City for findings reported in this report in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

<b>Finding ref number:</b> 2021-001	<b>Finding caption:</b> The City’s internal controls were inadequate for ensuring accurate financial reporting.
<b>Name, address, and telephone of City contact person:</b> Cyndi Turner, Accounting Manager P.O. Box 1995 Vancouver, WA 98668-1995 (360) 487-8462	
<b>Corrective action the auditee plans to take in response to the finding:</b> (If the auditee does not concur with the finding, the auditee must list the reasons for non-concurrence). The City had a large staff turnover in 2021. The Accounting Manager joined the City at the end November 2021, which did not allow them adequate time to become thoroughly familiar with all the complexities of the City’s financial operations. The City believes the issues identified were very minor in dollar terms compared to the Government wide statements.  In addition to the Accounting Manager, there were several new accounting staff members that joined the City in 2021. We appreciate the auditors pointing out these areas of improvement and have dedicated resources to ensure staff has adequate time to ensure corrective action is implemented for all future reporting.  The Accounting Manager will revise the financial statement preparation tools to ensure the City activities are accurately reported.  Additionally, the accounting staff will begin the financial statement preparation process earlier to provide adequate time to review all journal entries and draft financial statements as well as institute a quality control process designed to identify and catch these and other errors in the future.	
<b>Anticipated date to complete the corrective action:</b> 11/30/22	

<b>Finding ref number:</b> 2021-002	<b>Finding caption:</b> The City lacked adequate internal controls for ensuring compliance with federal requirements for allowable activities and costs, period of performance, procurement, and suspension and debarment.
<b>Name, address, and telephone of City contact person:</b> Cyndi Turner, Accounting Manager P.O. Box 1995 Vancouver, WA 98668-1995 (360) 487-8462	
<b>Corrective action the auditee plans to take in response to the finding:</b> (If the auditee does not concur with the finding, the auditee must list the reasons for non-concurrence). The City entered into the janitorial and security contracts before the COVID pandemic for the janitorial and security services. Both Contracts, Janitorial and Security Services, were solicited following our Procurement policy through a competitive process. The City had not intended on using federal funds to pay for the costs, as no pandemic and/or subsequent stimulus funding was anticipated. As a result, the City did not follow the most restrictive procurement method or verify the contractors were not excluded. During the pandemic, the City increased the scope of work to the existing contractors to provide for a higher level of sanitization and fogging of buildings and vehicles. At the time, it was impractical to go through the additional procurement process in securing additional services, since the City already had a contract in place and going out with an RFP during the peak of the demand, would have led to significantly higher pricing on the contract and a significant delay in the City receiving the life protecting services. The federal rules for the Grant were in the process of being development for the first year after the grant award. In the early guidance, less restrictive procurement rules appeared to have been promulgated. Ordinarily, Procurement identifies if a grant is going to be used and incorporates the grant requirements when the solicitation is created. Once the grant is identified Procurement carefully reviews grants and follows federal processes where applicable. Unfortunately, both of these expenditures were charged to the grant in the middle of the contract.  In the interest of avoiding any issues with the Debarment verification in the future, Procurement will put the following recommendations in place. Procurement will add the federal debarment language to all of our solicitations (regardless of funding source) to reduce the risk of potential noncompliance for future instances. This is already our practice for federally funded projects includes verifying that a firm is not debarred before moving them forward in the award process. For federally funded projects the City's normal Procurement solicitations include the debarment contract language and a debarment form, in addition to staff verifying that the firm is not debarred through Sam.gov. These circumstances were unique to issues created by the pandemic, but the City is committed to updating the process to ensure there is better coordination to ensure all requirements can be met.  The federal rules for the ARPA were in the process of development, with many changes during the first 12 months of the grant. There was a lack of clarity in the federal regulations that has caused the City to charge the grant for eligible costs from January of 2021, instead of March 1, 2021. This was a unique situation and a unique grant. Normally, grant requirements and regulations are well vetted and clear at the point of the grant award.	

The City did not ensure that all Emergency Sick Leave Request Forms were obtained before the leave was granted. The City will be more diligent in the future in making sure we not only have eligible costs, but also ensure all of the filled out forms are present before billing the federal grant. It is highly likely, ARPA is a unique grant, so the situation will not repeat itself in the future.

**Anticipated date to complete the corrective action:** 11/30/22