

## AGENDA

### COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

January 31, 2006  
Aldermen Pinard, Thibault,  
Smith, DeVries, Long

5:00 PM  
Aldermanic Chambers  
City Hall (3<sup>rd</sup> Floor)

1. Chairman Pinard calls the meeting to order.
2. The Clerk calls the roll.
3. The first purpose of the meeting is organizational in nature, and requests the Clerk to provide a brief overview regarding typical issues addressed by the Committee.
4. Presentation of the draft FY2005 Comprehensive Annual Financial Report (CAFR) and draft Management Letter by McGladrey & Pullen, LLP.  
*(Note: communications from the Finance Officer and Independent City Auditor in response to the Management Letter enclosed. Report available for viewing in the Office of the City Clerk and forwarded under separate cover to Mayor and Aldermen.)*
5. If there is no further business, a motion is in order to adjourn.



**City of Manchester  
Department of Finance**

One City Hall Plaza  
Manchester, New Hampshire 03101  
Phone: (603) 624-6460  
Fax: (603) 624-6549

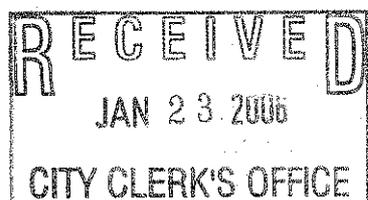
January 23, 2006

Alderman Real Pinard, Chairman  
Committee on Accounts, Enrollment and Revenue Administration  
C/o Office of the City Clerk  
One City Hall Plaza  
Manchester, NH 03101

Dear Alderman Pinard,

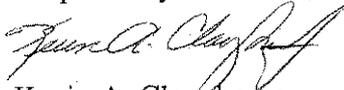
This letter is submitted in response to the Management Letter prepared by the City's external auditors at McGladrey & Pullen, LLP for the period ending June 30, 2005.

- 1) Departmental Cash Receipts: The Finance Department agrees with the auditor's observation regarding departmental cash receipts. The Finance Department strongly recommends that the BMA direct the Information Systems Department and the respective departments currently relying on non-integrated modules or programs to immediately take steps to integrate. The current decentralized arrangement does not provide for sound internal controls. In the absence of such an interface, the Finance Officer can not verify that respective revenues are being properly received and credited to the city. The revenues relating to these systems (i.e. auto registrations, parking violations, City Clerk licensing, alarm permits) represent millions of dollars annually that are not subject to the monthly and quarterly reporting controls established with the Aldermanic Committee on Accounts, Enrollment and Administration. Additionally, to be in conformance with the GASB reporting requirements, it has become increasingly important to accurately record the status of Accounts Receivable. With so many stand alone systems that are not integrated to the H.T.E General Ledger and Financial System, many of these revenues are reported as part of the daily cash collections and are not part of an automated system that generates a journal entry for processing in an automated fashion to the H.T.E System. This is the third time that this very serious shortcoming in the City's financial system has been brought to the attention of the Board of Mayor and Aldermen. Please take the necessary steps to rectify the situation before it escalates from an "observation" to a "reportable condition" which will take on significant credit rating implications.



- 2) Segregation of Duties: The Finance Department agrees with the recommendation, which is also a repeat recommendation from previous Management Letters. The Finance Department has recommended the implementation of a centralized accounting / administrative function to address this concern.

Respectfully submitted,



Kevin A. Clougherty  
Finance Officer

Cc: Mayor Frank C. Guinta  
McGladrey & Pullen



City of Manchester  
Office of the Independent Auditor

One City Hall Plaza, West Wing  
Manchester, New Hampshire 03101  
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January 24, 2006

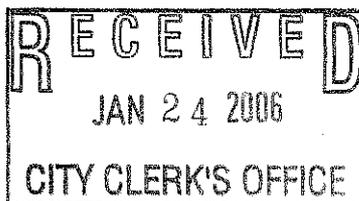
Committee on Accounts, Enrollment and Revenue Administration  
C/o Mr. Leo Bernier  
City Clerk  
One City Hall Plaza  
Manchester, NH 03101

Dear Honorable Committee Members,

I am forwarding to the COA all responses received to the Management Letter comments presented tonight. Observations one and two have been presented in the prior audit and the City's response has not significantly changed from last year. Observations three and four are presented for the first time this year. Department heads are not in agreement with either observation.

Respectfully Submitted,

Kevin M. Buckley  
Independent City Auditor





**City of Manchester  
Department of Finance**

One City Hall Plaza  
Manchester, New Hampshire 03101  
Phone: (603) 624-6460  
Fax: (603) 624-6549

January 23, 2006

Alderman Real Pinard, Chairman  
Committee on Accounts, Enrollment and Revenue Administration  
C/o Office of the City Clerk  
One City Hall Plaza  
Manchester, NH 03101

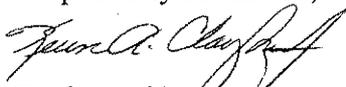
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Respectfully submitted,



Kevin A. Clougherty  
Finance Officer

Cc: Mayor Frank C. Guinta  
McGladrey & Pullen

1) **Observation:**

*Non-tax revenue is collected at various locations throughout the City. The information associated with these receipts is maintained in each department by means of nonintegrated, stand-alone computer applications or manual accounting records. The variety of formats for maintaining subsidiary receivables and receipts data throughout the City in combination with the relative inaccessibility of this information limits the Finance Department's ability to ensure the accuracy and completeness of its receivables and revenues information.*

All Airport revenues are non-tax revenues. All information regarding Airport revenues is integrated with the City's HTE system or exported directly into HTE from the Airport's supplemental financial management system (AIMS). Accordingly, Auditor Observation #1 does not apply to the Airport.

2) **Observation:**

*Throughout various departments in the City, there was an inadequate segregation of duties in the purchasing function. In many instances, the same person was responsible for requisitioning goods, approving the purchase, receiving the goods, ensuring adequate funds exist in the budget and posting to the G/L.*

The Airport has a long-established policy regarding purchase requisitions and the segregation of duties. Purchase requisitions are generated by the requesting individual. Management staff approves requisitions, after which a vendor is selected. Receipt of goods is documented by the receiving individual. The entire chain of purchase and receipt is supported by a complete paper trail. Actual posting to the G/L is accomplished by the accounting staff which does not originate purchase requisitions, but monitors the purchasing process from the moment a purchase requisition is initiated. This assures adequacy of funds to support the requisition. **The Airport does not concur in establishing a City-wide centralized purchasing function, as we believe this would create an unnecessary and burdensome bureaucracy.**

Kevin Dillion, Airport Director

3) **Observation:**

*The City does not have one centralized location or department responsible for grant and or program activity monitoring.*

This is a relatively broad brush overview of how grants are managed. In general there are centralized systems for most of the grant process. All grants come through the CIP process for budgeting and appropriation, and are approved by the Mayor and Aldermen. All grants with the exception of School, Manchester Water Works and Airport have a detailed Budget Authorization "Startup" and closeout documents which are separately approved by the Finance Committee of the BMA. In addition, grants are entered into the HTE Financial system and grant documents are filed with our office for virtually all CIP projects with the exceptions noted above and certain other grants. In terms of program activity monitoring, the CIP Committee of the BMA has jurisdiction to monitor program activity and does request updates in many cases. With respect to day-to-day monitoring of grants and meeting grant conditions, the particular department has the working knowledge of laws, requirements and jargon and contacts with the related Federal or State agency to most appropriately and efficiently manage the grant. The School Administration, Manchester Water Works and Airport have somewhat different legal setups and have the in-house capacity to manage grants. Should the Board of Mayor and Aldermen wish to review a more centralized system for grants, I would suggest that it be in the area of a central pool of contracts and grant closeout documents for all agencies including the three separate agencies identified above.

Robert S MacKenzie Director of Planning and Community Development

The concern that I see is on Observation # 3. I'm not sure that a centralized grant reporting function will improve operations. Most of our grant reports are program specific and are completed by the professional staff who is closest to the program involved. For example, our public health preparedness grant of around \$ 700,000 per year is linked to public health specific outcomes in 6 different focus areas. If there was to be a centralized unit in the city to do this, our work would likely increase in that we will have to prepare the information for the reports, explain them to another department, and still be held accountable for the report's quality. I'd be wary of a blanket policy that might hit the Auditor's objective here, but might also create some unintended inefficiencies for some departments.

Fred Rusczek, Public Health Director

The Airport receives numerous federal grants from the FAA throughout the year. The Airport's Engineering and Planning and Finance and Administration Assistant Airport Directors are charged with monitoring these federal grants and the projects they fund. The Airport has never experienced any problems with its internal monitoring of these activities, and because of its unique relationship with the FAA must continue to exercise this direct interface. Thus, **the Airport objects to any centralization of its FAA grants and program monitoring responsibilities to any non-Airport department.**

Kevin Dillion, Airport Director

4) **Observation:**

*It was noted that for part time employees the City does not keep adequate documentation in their personnel files. There was no authorized pay-rate documented along with the time frame that the part time employee worked.*

Regarding the election workers, we don't terminate them after an election, as we would only have to reinstate them when it comes to the next election. When you are talking about 150+ workers that creates a lot of paperwork on our part and on the part of Human Resources. Also, if there are any special elections in between the regular elections it would be more timely and costly to do for both departments.

Most election officials are elected, some are appointed and we have hired temporary election workers in our office, so there is no official end date. Most start dates would be near or on election day. The City Clerk's Office on a yearly basis (or sometimes more frequently) reviews the listing of election officials in the system and does process the termination paperwork to remove them from payroll if they no longer wish to work, have passed on or haven't worked in over a year.

Election workers, to my knowledge, are not considered part-time employees and I am not sure how they are set-up by HR, but EIS sheets are done on all assigning the rate codes as well as the starting date. The reason they are not assigned a specific rate (which is determined by city ordinance) is they may perform different duties than those that they have been elected or appointed to. The temporary election workers we currently have in our office have filled out all necessary paperwork, which is on file in HR and once the assignment ends paperwork will be completed to remove them from payroll. If you have any questions, please let me know.

Also, for temporary election workers in our office, time sheets are completed on a weekly basis. On election day, the workers sign off on a payroll sheet, which verifies their social security number, whether they have been sworn in to work, whether they attended training and how many hours they worked. This report is verified by the moderator, turned into our office so that we may pay them.

Tricia Piecuch, Deputy Clerk – Financial Administration

The HTE system requires that we fill in one of two boxes when putting people on the payroll. The options are full or part time. So, that is why the election workers give the appearance of being part time employees but they really are not. City Clerk's Office is just using the system as best they can to get the election workers paid. As such, no time sheets either.

Virginia Lamberton Human Resources Director

**Airport general observation:**

The Airport recognizes that the same two Auditor observations (#1 & #2) have been made in past audits and the Airport's comments remain the same. Further, each year the Airport undergoes its own comprehensive audit by McGladrey & Pullen and receives its own audit report and, if appropriate, its own management letter. MCGladrey & Pullen has not expressed any concerns regarding the Airport via an Airport management letter in its past four audits. The four general observations in the City's 2005 CAFR management letter have never, generally or specifically, been brought to the Airport's attention during its past discussions and outbriefs with McGladrey & Pullen.

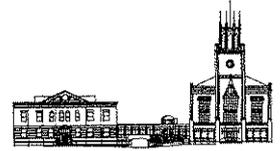
Kevin Dillion, Airport Director



# CITY OF MANCHESTER

*Human Resources Department*

One City Hall Plaza  
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Tel: (603) 624-6543 (V/TTY) • Fax: (603) 628-6065



January 18, 2005

Mr. Kevin Buckley  
Internal Auditor  
City of Manchester  
One City Hall Plaza  
Manchester, New Hampshire 03101

Re: Response to Observation 3

Dear Mr. Buckley:

During the budget process in 2002, the Board of Mayor and Aldermen approved the establishment of a Grants Coordinator position for the City. In August, 2002, a proposed class specification was forwarded to the Human Resource and Insurance Committee to establish the Grants Coordinator classification. This new position was authorized by the full Board on November 6, 2002 to be housed in the Planning Department.

I am attaching a copy of the class specification for the Auditors. As they may note, the General Statement of Duties for this position are to be *responsible to research and find grant programs for various City programs, responsible for writing funding applications, re-newing applications, coordinating the activities of grant/loan programs, etc. etc.*

If any other information is needed, please let me know.

Sincerely,

Virginia A. Lamberton  
Human Resources Director

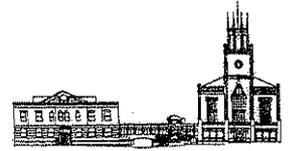
Cc: Robert MacKenzie, Planning Director



# CITY OF MANCHESTER

Human Resources Department

One City Hall Plaza  
Manchester, New Hampshire 03101-4000  
Tel: (603) 624-6543 (V/TTY) • Fax: (603) 628-6065



August 28, 2002

Alderman Mike Lopez  
Chairman, HRIC  
City of Manchester  
Manchester, New Hampshire 03101

**Re: Request to Establish New Class Specification**

Dear Alderman Lopez:

During the last budget process, the Board of Mayor and Aldermen approved the establishment of a Grants Coordinator position for the City. The position will be housed in the Planning Department. However, the position will be responsible for providing grant writing/coordination to the various City departments.

The up-dated class specification has been reviewed by Bob MacKenzie, Director of Planning, and he approves of the proposed language.

Your favorable approval to approve this class specification would be gratefully appreciated.

Respectfully submitted,

Virginia A. Lamberton  
Human Resources Director

Cc: Mayor Baines  
Robert MacKenzie, Director

4/10/02 6/10/02  
→ 5/10/02



**PROPOSED 8-5-02**

# City of Manchester, New Hampshire

## Class Specification

This is a class specification and not an individualized job description. A class specification defines the general character and scope of responsibilities of all positions in a job classification, but it is not intended to describe and does not necessarily list every duty for a given position in a classification.

<b>Class Title</b>	Grants Coordinator
<b>Class Code Number</b>	9231-18

### General Statement of Duties

Responsible to research and find grant programs for various City programs. Responsible for writing funding applications, re-newing applications, coordinating the activities of grant/loan programs. Other related duties as assigned.

### Distinguishing Features of the Class

The principal function of an employee in this class is to secure funds for City initiatives. The work is performed under the supervision and direction of the Director of Planning but considerable leeway is granted for the exercise of independent judgement and initiative. The nature of the work performed requires that an employee in this class establish and maintain effective working relationships with other City employees, State and Federal officials, business and community organizations and the public. The principal duties of this class are performed in a general office environment.

### Examples of Essential Work (illustrative only)

- Coordinates and leads the grant procurement activities of a grant program that supports capital improvement, economic development and special projects for the City of Manchester.
- Locates alternative funding sources through monitoring of Notice of Funds Availability (NOFA's), studying private funding sources and State and Federal Government agencies to determine compatibility of objectives and studying current trends in legislation which may affect funding levels in municipalities.

- Conducts inter-department meetings; to identify and prioritize project needs, coordinate and research grant preparation assignments.
- Writes grants for specific funding sources and follows-up on application status with officials reviewing grant proposals as appropriate;
- Edits draft applications for accuracy, completeness and clarity.
- Provides timely advice and information on funding opportunities, requirements and procedures to department heads and Mayor.
- Provides technical assistance to various departments to insure that the grants are properly administered and reporting to grant agencies is provided in a timely manner;
- Performs detailed budget analysis in support of grant functions;
- Performs special projects as requested;
- Provides needed information and demonstrations concerning how to perform certain work tasks to new employees in the same or similar class of positions;
- Keeps immediate supervisor and designated others fully and accurately informed concerning work progress, including present and potential work problems and suggestions for new or improved ways of addressing such problems;
- Attends meetings, conferences, workshops and training sessions and reviews publications and audio-visual materials to become and remain current on the principles, practices and new developments in assigned work areas;
- Responds to citizens' questions and comments in a courteous and timely manner;
- Communicates and coordinates regularly with appropriate others to maximize the effectiveness and efficiency of interdepartmental operations and activities;
- Performs other directly related duties consistent with the role and function of the classification.

**Required Knowledge, Skills and Abilities**  
(at time of appointment)

- Thorough knowledge of all current principles and practices involved in grant identification, development, procurement and administration;
- Substantial knowledge of current principles and practices associated with public administration;
- Ability to develop and write detailed grant documents according to specific instructions from funding agencies;
- Ability to perform budget calculations as they relate to City operations;
- Ability to communicate effectively with others, both orally and in writing, using both technical and non-technical language;
- Ability to understand and follow oral and/or written policies, procedures and instructions;
- Ability to prepare and present accurate and reliable reports containing findings and recommendations;
- Ability to operate or quickly learn to operate a personal computer using standard or customized software applications appropriate to assigned tasks;
- Ability to use logical and creative thought processes to develop solutions according to written specifications and/or oral instructions;

- Ability to perform a wide variety of duties and responsibilities with accuracy and speed under the pressure of time-sensitive deadlines;
- Ability and willingness to quickly learn and put to use new skills and knowledge brought about by rapidly changing information and/or technology;
- Integrity, ingenuity and inventiveness in the performance of assigned tasks.

**Acceptable Experience and Training**

- Graduation from an accredited college or university with a Bachelor's Degree in Public Administration, Business Administration, Liberal Arts or a closely related field; and
- Six years of experience in grant/loan applications preferably in a government or non-profit work environment.

**Required Special Qualifications**

- None.

**Essential Physical Abilities**

- Sufficient clarity of speech and hearing or other communication capabilities, with or without reasonable accommodation, which permits the employee to communicate effectively;
- Sufficient vision or other powers of observation, with or without reasonable accommodation, which permits the employee to review a wide variety of material in both electronic and hardcopy form;
- Sufficient manual dexterity with or without reasonable accommodation, which permits the employee to operate a personal computer and related equipment;
- Sufficient personal mobility and physical reflexes, with or without reasonable accommodation, which permits the employee to function in a general office environment.

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_