



Mayer Hoffman McCann P.C.

# U.S. Department of Housing and Urban Development

Technical Assistance Session #1

June 4, 2013



# Agenda

- Who is Mayer Hoffman McCann P.C.?
- What is an Agreed-Upon Procedures Engagement?
- What is done before the site visit?
- What will be done during the site visit?
- What happens after the site visit?
- Questions



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# **Who is Mayer Hoffman McCann P.C.?**



## **Who is Mayer Hoffman McCann P.C. (MHM)?**

- The 7<sup>th</sup> largest accounting firm in the country
- Founded in 1954
- More than 270 shareholders in over 35 locations
- A high level of experience



## Key Team Members

- Leawood
  - Jeff Carlstedt
  - Holly Perez
- Bethesda
  - Greg Allender
  - Wilfredo Corps



## Other Team Members

- Leawood
  - Jami Owens
  - Chris Winburn
  - Ian Smith
  - Carlie Bittel
  - Ben Anderson
  - Brent Wilson



## Other Team Members

- Bethesda
  - Jayson Collado
  - Quinni Gomez



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# **What is an Agreed-Upon Procedures Engagement?**



# What is an Agreed-Upon Procedures Engagement?

- Perform procedures agreed to between HUD and MHM
- Not an audit
- Report on results of procedures
- No opinion provided



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# **What is done before the site visit?**



## What is done before the site visit?

- Agencies are contacted about site visit scheduling.
  - Agencies received a notification letter confirming site visit
  - Approximately 4 weeks before the site visit, a binder will be sent requesting information



# Binder Contents

- List of requested items
- Preformatted CD to burn documents
- Segregation of Duties Grid
- Letter to MHM regarding understanding of final report



## What is done before the site visit?

- Communication with agencies answering any questions regarding site visits and requested items
- Meeting between MHM & Individual Agency's POC
  - LOCCs vouchers and reports
  - Grant agreement and Form 1044
  - Award letter
  - Leveraged funds
  - Revised budget
  - Concerns about agency



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# **What is done during the site visit?**



# What is done during the site visit?

- Entrance Conference
- Procedures performed
- Exit Conference meeting



# What is done during the site visit?

- Entrance Conference
  - Introductions
  - Scope of Work
  - Timing of Work/Reporting
  - Communication of Findings
  - Other Matters



# Procedures Performed

- Administrative Structure
  - Flow chart of organizational structure and internal procedures
  - Narratives documenting roles and responsibilities
  - Interview staff members to confirm narratives



# Procedures Performed

- Sub-recipient Monitoring
  - Obtain listing of sub-grantees or branches
  - Narrative on monitoring procedures
  - Positive confirmation letters to sub-grantees



# Procedures Performed

- Documentation
  - Narratives of the following:
    - Cash receipts
    - Cash disbursements
    - Compliance monitoring
  - All cash receipts and disbursements for 2012 grant year end
  - Sample 40 disbursements



# Procedures Performed

- Accounting System
  - Most recent audit
  - A-133 Clearinghouse submission
  - Statement of Auditing Standards 115 letter (management letter)
  - Listing of HUD grant reporting requirements
  - Test and reconcile 1 report filed



# Procedures Performed

- Time and Attendance Controls
  - Narrative of controls
  - Sample 5 employees for existence
  - Review support for time allocation



## Procedures Performed

- Timely / Accurate Submission of Quarterly Reports
- Cash Management
  - If funds were received in advance of expenditures
- Federal Negotiated Indirect Cost Rates
  - Review costs compared to approved schedule



# Procedures Performed

- Procurement Process
  - Obtain copy of procurement procedures
  - Test contracts in excess of \$25,000
  
- Program Income
  - Inquire if they charge a fee for services
  - Test for tracking of fees



# Procedures Performed

- Leveraged Costs
  - Obtain listing from HUD
  - Ask for supporting documentation
- Reconciling Organization Records with HUD Records
  - Review amounts charged to project vs. what was reported



# What is done during the site visit?

- Exit Conference
  - Discuss outstanding requested items
  - Discuss any potential findings or concerns



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# What Happens After the Site Visit?



## What happens after the site visit?

- HUD gets findings report with findings and concerns
- HUD provides findings report to agency for response
- MHM works with HUD to provide technical assistance regarding whether items are cured or more assistance is needed by the agency



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# Questions?



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**THANK YOU!**