



# OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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## 16-26 Colorado Springs Airport Grant Reimbursement Timeliness

November 2016

### **Purpose**

The purpose of this limited scope audit was to review Federal Aviation Administration Airport Improvement Program reimbursement requests submitted by the Colorado Springs Airport to confirm the Airport followed internal guidance requiring timely submission.

### **Highlights**

Based on our review, we conclude that overall, the Airport complied with internal guidance requiring timely submission of reimbursement requests under the Airport Improvement Program (AIP) administered by the Federal Aviation Administration (FAA).

The AIP program provided grants to public agencies for planning and development of public use airports. Under grant agreements, expenditures were first paid by the Airport, then reimbursement was requested from the FAA for qualified expenses.

The Colorado Springs Airport management established internal guidance requiring reimbursement requests to be initiated within 30 days of the invoice paid date, unless the total reimbursable amount was less than \$10,000. This guidance was intended to support the Airport's cash flow. Airport management requested that the Office of the City Auditor review AIP grant reimbursement requests for 2015-2016 to confirm compliance with the above guidelines.

FAA approval was required before submission of the final or closeout invoice on the AIP project, so these reimbursements would not be within the 30 day guidance. Additionally, because the Airport was required to contract for project design and obtain project bids before submitting grant applications to the FAA, the initial design expenses would not be reimbursed within 30 days. We excluded the first reimbursement request for design expenses, as well as, the close-out invoices from our test.

*(Continued on page 2)*

### **Management Response**

Management agreed with our recommendations.

### **Recommendations**

1. We recommend that the Airport formalize guidance related to timeline for requesting reimbursement.

This guidance should include the number of days allowed to obtain approvals and file with the FAA for reimbursement.

### **Opportunity for Improvement**

1. Consider utilizing a collaboration software, such as Microsoft Sharepoint, to allow users to sign in and view requests for approval.

Consider incorporating workflow to notify approvers that the request is ready for review.

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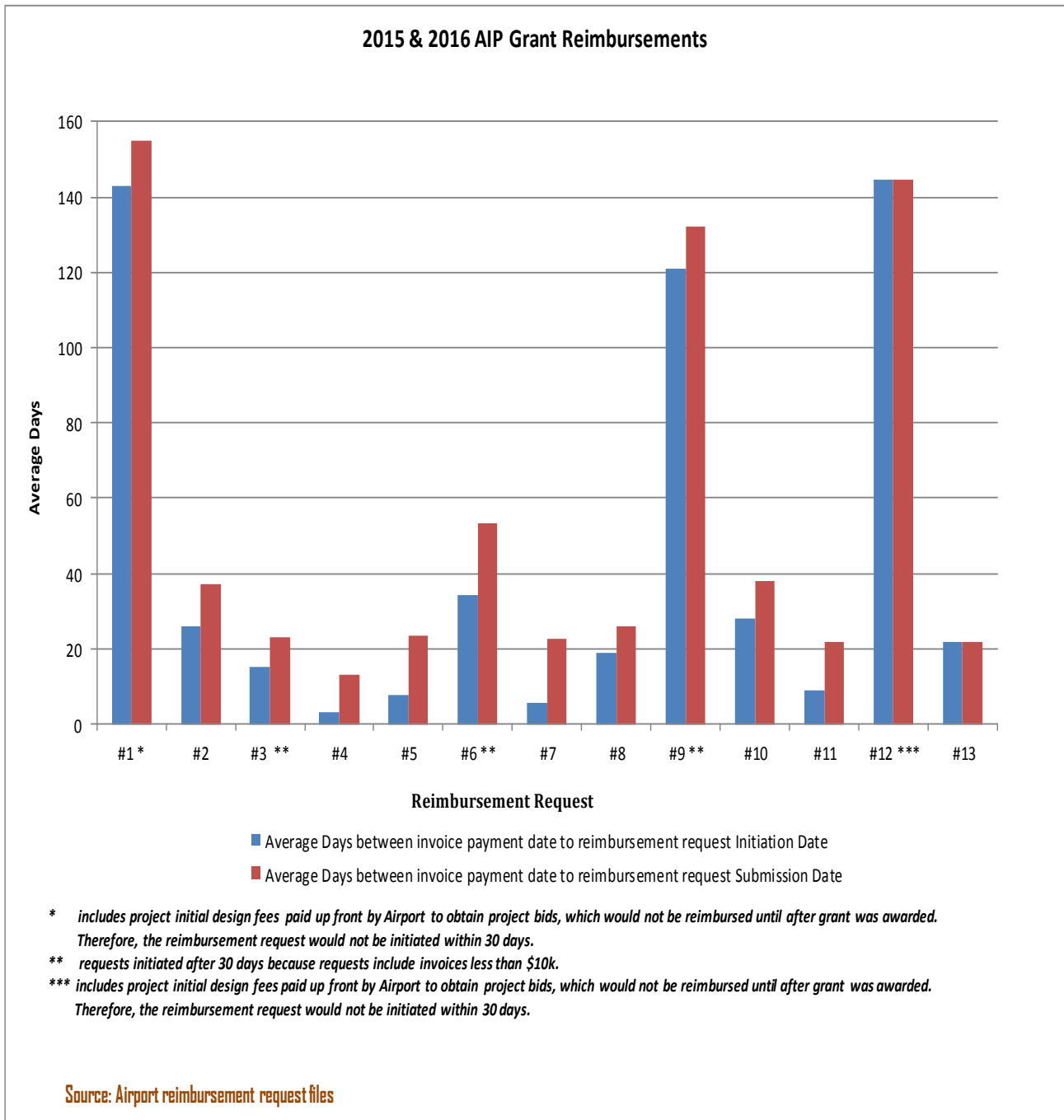
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# 16-26 COLORADO SPRINGS AIRPORT GRANT REIMBURSEMENT TIMELINESS

Airport management indicated the Airport has obtained preliminary approval from the FAA to include design expenses for the next year’s capital project in the current year grant. This approval should help improve cash flow for AIP projects.

Please see page three of this report for observation details.



# 16-26 COLORADO SPRINGS AIRPORT GRANT REIMBURSEMENT TIMELINESS

## **Observation 1**

The Airport's internal grant reimbursement request policy was not formally documented. Also, the policy referenced only that the internal approval process should be initiated thirty days after the oldest invoice paid date, unless invoice totals were less than \$10,000. No guidance was in place for days allowed to complete internal review and submission to the FAA for payment.

Formal policy documentation would ensure understanding by all parties. Including policy guidance for number of days to complete approval and submission would help ensure timely completion of all process steps needed to file reimbursements.

## **Management Response**

We agree with the recommendation. The Airport will formally document the Request for Reimbursement process to include initiating request, approval process, and agency submittal to also include work flow contingencies by 12/31/2016.

## **Recommendation**

Develop guidance for number of days allowed for internal approvals and submission to the FAA for reimbursement.

Formally document the policy and track compliance.

## **Opportunity 1**

We observed that a paper binder and sign off sheet were utilized to compile backup for internal approvals. If an approver was out of the office, approval could be delayed.

## **Management Response**

We agree with the recommendation. The Airport will begin dialogue with City IT Sharepoint representatives to determine feasibility, and if feasible, implement Sharepoint by the end of first quarter 2017.

## **Recommendation**

Consider utilizing a collaboration software, such as Microsoft Sharepoint, to allow users to sign in and view requests for approval.

Consider incorporating workflow to notify approvers that the request is ready for review.