



**KPMG LLP**  
Suite 1710  
10 S. Jefferson Street  
Roanoke, VA 24011-1331

## **Independent Auditors' Report**

The Honorable Members of City Council  
City of Roanoke, Virginia:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the School Board of the City of Roanoke, Virginia (the School Board), the discretely presented component unit of the City, constituting 100% of the total assets, net assets, revenues and expenses of the discretely presented component unit as of and for the year ended June 30, 2010. We also did not audit certain operations of the Civic Facilities fund, a major enterprise fund included in the business-type activities of the City, constituting 4.2% and 1.3% of total assets, 7.5% and 3.5% of total liabilities, 95.4% and 14.2% of total revenues, and 62.3% and 15.6% of total expenses of the Civic Facilities fund and business-type activities, respectively, as of and for the year ended June 30, 2010. The financial statements of the School Board and certain operations of the Civic Facilities fund were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the School Board and the amounts included for the Civic Facilities fund audited by other auditors are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Counties, Cities and Towns* (Specifications), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and Specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.



As discussed in notes 1(L) and 6 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective July 1, 2009.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 29, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying Management's Discussion and Analysis on pages 29 through 40, the Budgetary Comparison Schedule – General Fund, the Schedules of Funding Progress, the Schedules of Employer Contributions, and the Notes to Budgetary Comparison Schedule – General Fund on pages 111 through 118 are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the combining and individual fund financial statements (Exhibits L-1, L-2, L-3, M-1 and M-2) and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining and individual fund financial statements (Exhibits L-1, L-2, L-3, M-1 and M-2) and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion on them.

KPMG LLP

November 29, 2010



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Suite 1710  
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**Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

The Honorable Members of City Council  
City of Roanoke, Virginia:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Roanoke, Virginia (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 29, 2010, which included a paragraph describing the adoption by the City of the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective July 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Counties, Cities and Towns* (Specifications), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Other auditors audited the financial statements of the School Board of the City of Roanoke, Virginia (the School Board), the discretely presented component unit of the City, and certain operations of the Civic Facilities fund, a major enterprise fund included in the business-type activities of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not



identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the City in a separate letter dated November 29, 2010.

This report is intended solely for the information and use of management, the City Council, the audit committee of the City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

November 29, 2010



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**Report on Compliance with Requirements That Could  
Have a Direct and Material Effect on Each Major  
Program and on Internal Control over Compliance in  
Accordance with OMB Circular A-133**

The Honorable Members of City Council  
City of Roanoke, Virginia:

**Compliance**

We have audited the City of Roanoke, Virginia's (the City's) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit. The City's basic financial statements include the operations of the School Board of the City of Roanoke, Virginia (the School Board), the discretely presented component unit of the City, which received \$23,228,673 in federal awards which is not included in the City's schedule of expenditures of federal awards for the year ended June 30, 2010. Our audit, described below, did not include the operations of the School Board because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

As described in item 10-1 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding procurement that are applicable to its Federal Transit Administration (FTA) (CFDA #20.507) federal programs. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.



## **Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 10-1 to be a material weakness.

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the City responses, and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the City Council, the audit committee of the City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

November 29, 2010



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## **Report on Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grant Agreements**

The Honorable Members of City Council  
City of Roanoke, Virginia:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the remaining fund information of the City of Roanoke, Virginia (the City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 29, 2010, which included a paragraph describing the adoption by the City of the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, effective July 1, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and *Specifications for Audits of Counties, Cities and Towns* (Specifications), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and Specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Other auditors audited the financial statements of the School Board of the City of Roanoke, Virginia (the School Board), the discretely presented component unit of the City, and certain operations of the Civic Facilities fund, a major enterprise fund included in the business-type activities of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of compliance that are reported on separately by those other auditors.

Compliance with Commonwealth of Virginia laws, regulations, contracts and grant agreements applicable to the City is the responsibility of the management of the City. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts and grant agreements. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. The following is a summary of the Commonwealth of Virginia laws, regulations, contracts and grant agreements, as contained in the Specifications, for which we performed tests of compliance:

### ***Code of Virginia***

Budget and Appropriation Laws  
Cash and Investment Laws  
Conflicts of Interest Act  
Debt Provisions  
Retirement Systems  
Procurement Laws  
Uniform Disposition of Unclaimed Property Act



*State Agency Requirements*

Comprehensive Youth Services Act  
Education  
Highway Maintenance Funds  
Personal Property Tax Relief Act  
Social Services

As described in item 10-2 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with certain requirements of the Comprehensive Youth Services Act.

With the exception of the noncompliance described in the preceding paragraph, the results of our tests of compliance disclosed no other instances of noncompliance that are required to be reported under the Specifications.

This report is intended solely for the information and use of management, the City Council, the audit committee of the City Council, others within the entity, the Auditor of Public Accounts of the Commonwealth of Virginia, and the applicable state agencies and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

November 29, 2010

**CITY OF ROANOKE, VIRGINIA**

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**(1) Summary of Auditors' Results**

- (a) The type of report issued on the basic financial statements: **unqualified opinion.**
- (b) Significant deficiencies in internal control over financial reporting disclosed by the audit of the financial statements: **none reported.** Material weaknesses: **none.**
- (c) Noncompliance which is material to the basic financial statements: **none.**
- (d) Significant deficiencies in internal control over major programs: **yes, item 10-1.** Material weaknesses: **yes, item 10-1.**
- (e) The type of report issued on compliance for major programs: **qualified opinion.**
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: **none.**
- (g) Major programs: ARRA Community Development Block Grant and Community Development Block Grant Cluster (CDBG) (CFDA #14.218 and #14.255); ARRA Energy Efficiency & Conservation Block Grant – (CFDA #81.128); ARRA Federal Transit and Federal Transit – Cluster (CFDA #20.500 and #20.507); ARRA Homelessness Prevention & Rehousing Program – (CFDA #14.257); ARRA Justice Assistance Grant – Sheriff's Compensation (CFDA # 16.803); ARRA Justice Assistance Grant – Multiple Projects (CFDA # 16.804); Supplemental Assistance Nutrition Program (SNAP) Cluster (CFDA #10.555 and #10.561); Temporary Assistance for Needy Families (TANF) (CFDA #93.558); Workforce Investment Act (WIA) and ARRA Workforce Investment Act – Cluster (CFDA #17.258, #17.259 and #17.260)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$778,308.**
- (i) Auditee qualified as a low risk auditee under Section 530 of OMB Circular A-133: **no.**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:**

**None**

**(3) Findings and Questioned Costs Relating to Federal Awards:**

**Finding 10-1**

***Federal Agency and Program:***

Federal Transit Administration (FTA) – CFDA No. 20.507 – awards (#VA-90-X345-00, #VA-18-X029-00, and #VA-18-X030-00)

***Recipient:***

Greater Roanoke Transit Company (GRTC), a blended component unit of the City of Roanoke, Virginia

***Federal Award Year:***

July 1, 2009 through June 30, 2010

## CITY OF ROANOKE, VIRGINIA

### Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**Criteria:** FTA Circular 4220.1E specifies that expenditures exceeding \$100,000 should be awarded via a request for proposal (RFP) or sealed bid proposal process. The \$100,000 threshold can be met through either a single invoice or multiple invoices for the same project or purpose. FTA Circular 4220.1E also specifies that an RFP must be publicly advertised, include clauses requiring verification from prospective vendors regarding suspension and debarment assurance requirements, maintain records detailing the history of each procurement which require at a minimum the rationale for method of procurement, selection of contract type, reasons for contractor selection or rejection, and basis for contract price. In addition, per FTA Circular 4220.1E, if a contract is awarded to a vendor that has an aggregate value of \$500,000 or more, the entity should specify the amount of federal funds that will be used to finance the purchase in an announcement of the contract award for goods and services. Such amount should be expressed as a percentage of the total costs of the planned purchase.

An entity may follow the procurement guidelines of the State or locality in which it resides, if those requirements are more restrictive than the federal requirements. Per the City of Roanoke procurement guidelines, any purchase over \$50,000 must be procured under "Federal Procurement Guidelines" whereby the purchaser must use the RFP process and this process must be documented in writing.

**Condition found, including perspective:** During our testwork over the procurement process, we selected a sample of large dollar expenditures exceeding \$50,000, either through one invoice or multiple invoices for the same project or purpose (based on the City of Roanoke's procurement requirements referred to above). KPMG noted that a contract for employee health insurance was awarded to a health insurance provider without complying with the public advertisement, verification from prospective vendors regarding suspension and debarment assurance, and notification to the vendor awarded the contract with a value of \$500,000 or more the total amount of expected expenditures including the percentage expected to be reimbursed with federal funds used to finance the purchase. GRTC uses an insurance broker to actively seek out quotes from different insurance providers and negotiate the best price for GRTC. The broker sent out an RFP on behalf of GRTC; however, the broker did not follow the requirements of FTA Circular 4220.1E which specify that an RFP must be publicly advertised, include clauses requiring verification from prospective vendors regarding suspension and debarment assurance requirements, and that the vendor awarded the contract with a value of \$500,000 or more be notified of the total expenditures expected to be financed with federal funds, expressed as a percentage of the total contract award for the annual health insurance premiums.

**Identification of Questioned Costs and how they were computed:** None

**Possible asserted cause and effect:** Management asserted that although the aggregate expenditures for employee health insurance premiums exceeded \$100,000 for the year ended June 30, 2010, management did not consider it necessary to publicly advertise the RFP for the health insurance contract due to the limited number of insurance providers that are available to bid and compete for the Company's health insurance contract. The broker contacted all of the insurance providers who are able to provide the necessary health insurance needs of the employees required by the Company. Management acknowledged that public notice of the RFP should be made and will implement a policy to ensure there is public notice of the RFP for the annual insurance contract either via advertisement in the local newspaper or through an announcement on the Company's website. Management asserted that the failure of the RFP to include a section regarding verification of suspension and debarment and failure to notify the vendor awarded the contract the total dollar amount of the award and the percentage expected to be reimbursed with federal

## CITY OF ROANOKE, VIRGINIA

### Schedule of Findings and Questioned Costs

Year ended June 30, 2010

funds were oversights which will be corrected in connection with future RFPs regarding the awarding of the annual health insurance contract.

**Recommendation:** The Company currently has procurement policies in place that are in accordance with federal, state and local procurement requirements for purchases of goods and services, including health insurance premiums, and the Company followed the appropriate procurement requirements for procurements made during the year ended June 30, 2010 with the exception of the findings noted above. We recommend the Company implement a policy whereby a public announcement is made either via publication on the Company's website or in a newspaper advertisement for potential awards of health insurance contracts with total expenditures expecting to exceed \$50,000. We also recommend that the RFP include a clause regarding the verification of suspension and debarment which should be obtained and included in the procurement files prior to awarding the annual health insurance contracts. In addition, since the annual health insurance premiums are expected to be greater than \$500,000, the Company should implement a policy to ensure the vendor awarded the health insurance contract is notified of the total amount of the award and the percentage expected to be reimbursed with federal funds.

**Views of responsible officials:** The Company utilizes the services of a broker for health insurance coverage for the employees of Southwestern Virginia Transit Management Company. The contract between Greater Roanoke Transit Company and the Broker provides for the Broker to include a clause regarding the verification of suspension and debarment, which will be obtained and included in the procurement files prior to awarding the annual health insurance contract.

The Company ensures that it will place public notice on its website for potential awards of health insurance contracts and that the vendor awarded the health insurance contract will be notified of the total amount of the award and the percentage expected to be reimbursed with federal funds.

#### (4) Findings and Questioned Costs Relating to Commonwealth of Virginia:

##### 10-2: Comprehensive Services Act (CSA)

**Condition:** During our audit procedures, we noted that two invoices from a third party vendor for youth counseling services performed by the vendor in accordance with the Comprehensive Services Act (CSA) were not approved by the CSA caseworker prior to being paid by the City of Roanoke's Department of Social Services. The caseworker noted on the two invoices that there were discrepancies with dates and hours the vendor listed as the service units delivered per the terms of the contract agreement between the City of Roanoke and third party vendor. Even though the invoices were noted as questionable by the caseworker, the invoices were still paid by the City of Roanoke's Department of Social Services. The invoices were submitted to the City in September 2009 and paid by the City in October 2009. The expenses were submitted for reimbursement under the CSA expense category by the City of Roanoke's Department of Social Services via the City's LASER transmittal to the Commonwealth of Virginia's Department of Social Services.

**Criteria:** CSA Pool funds must be expended for public or private non-residential or residential services for troubled youths and families (Code of Virginia 2.2-5211). Pool funds may only be used for services for specific children and their families. Vendors may be included in the Service Fee Directory (Code of Virginia 2.2-5214) to be paid with Pool funds.

## **CITY OF ROANOKE, VIRGINIA**

### Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**Effect:** Noncompliance with the Commonwealth's requirements may result in state sanctions.

**Questioned Costs:** \$1,240

**Recommendation:** The City should establish procedures to ensure that disbursements by the City of Roanoke's Department of Social Services for expenses related to services performed in accordance with the Comprehensive Services Act and reimbursed by the Commonwealth of Virginia have the necessary supporting documentation in accordance with the CSA requirements. The supporting documentation should consist of an invoice from the third party vendor performing the youth counseling services that shows the date, time and nature of the services performed for each unit of measurement per the terms of the contract agreement between the City of Roanoke and the third party vendors performing the counseling services in accordance with the CSA requirements. In addition, invoices should be reviewed and approved by the CSA caseworker prior to being approved for payment by the City of Roanoke's Department of Social Services and that any questionable costs or service units be investigated by management of the City of Roanoke to ensure expenses being submitted by the third party vendors are valid expenses in accordance with the CSA requirements.

**Management's Response:** The Department of Social Services has reviewed the invoices in question and discussed the issues noted with the staff responsible for processing vendor payments. Vendor invoices that do not specify the dates of service and the number of hours of contact time with the child will not be processed. Invoices on which a case worker has disallowed units of service claimed by the vendor will be adjusted as specified by the case worker.

**CITY OF ROANOKE, VIRGINIA**

Summary Schedule of Prior Year Audit Findings and Questioned Costs

Year ended June 30, 2010

**Item 09-5: Procurement**

*Status:*

Although the City addressed the specific procurement issue over the course of fiscal year 2010, there were additional findings related to procurement, which are noted in item 10-1 in the Schedule of Findings and Questioned Costs for the year ended June 30, 2010.