

**TO:** Audit Committee Members  
**FROM:** Edward Garza, Internal Auditor  
**DATE:** April 11, 2012  
**SUBJECT:** Outstanding Audit Issues

## 1. Status of Internal Audit Recommendations

Management indicates that implementation of the audit recommendations associated with the Review of the Loan Application Process (Report# 20120202) dated February 2, 2012, is on schedule. According to information provided by management on implementation status:

- Sixteen percent (8 out of 50) of the recommendations have been completed.
- Eighty-two percent (41 out of 50) of the recommendations are on schedule for completion during the period May, 2012 through August, 2013.
- Management has extended the target completion date for 2% (1 out of 50) of the recommendations.

See attached audit tracking report (attachment # 1) for further details.

Internal Audit plans to follow-up on the Review of the Loan Application Process (Report# 20120202) during Fiscal Year 2014.

## 2. Status of External Audit Recommendations

Management indicates that implementation of the audit recommendations associated with the *State of Texas Compliance with Federal Requirements for Selected Major Programs for fiscal year ended August 31, 2011*, issued in February 2012, is complete.

See attached audit tracking report (attachment # 2) for further details.

Internal Audit plans to follow-up on this review in fiscal year 2013.

### Our Mission : Board Members

To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

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Joe M. Crutcher, Vice Chairman  
Melanie Callahan, Executive Administrator

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Lewis H. McMahan, Member

Billy R. Bradford Jr., Member  
Monte Cluck, Member

Audit Committee Members

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The following item will be discussed at the Audit Committee meeting, but has no attachment.

**3. Update on Audits Performed by External Entities**

Attachments

c w/att: Edward G. Vaughan  
Monte Cluck  
Weir Labatt  
Melanie Callahan

Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012			
Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
1.1 Timelines and Accountability Controls	(i) Clarifying, by way of written procedures, the responsibilities, authorities, criteria and roles for the different aspects of the application review.	Management agrees for the need of updated written procedures.  <b>Target Implementation Date: 8/31/2012</b>	On-going and on target.
	(ii) Implementing formal quantitative goals for each area and performance standards, including clear timelines for each stage of the application review process. The performance targets should form part of staff performance plans.	Management agrees that there are areas of necessary improvement in the loan application process, including targets and goals for timeliness of the various stages of the application review process.  <b>Target Implementation Date: 5/31/2012</b>	Initial meeting and team established to address 3/26. On-going and on target.
	(iii) Seeking client feedback on the quality of the loan application process and areas requiring improvement. Ideally, management should use both transactional and relationship-type surveys.	Management agrees that seeking client feedback would provide valuable information on the loan application process as well as the communication with the customers.  <b>Target Implementation Date: 12/31/2012</b>	On-going and on target. IT is adding an on-line survey to the list of IT projects for prioritization by Leadership.
	(iv) Periodically analyzing key management processes such as performance measures, performance targets (e.g. review times), formal quantitative goals (for each area), employee productivity, and customer feedback. In addition, track each individual's actual performance against target as part of their annual performance evaluation. Eventually, the accountability framework should include all assigned work - not just the application review data. Otherwise, any interpretation of performance would be incomplete.	Management agrees that development and compilation of data, without periodic analysis, is not of much use. This analysis should become part of the annual procedure which would link with the annual performance appraisals.  <b>Target Implementation Date: 08/31/2013</b>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
1.2 Communication	(i) Brainstorming on how to increase cohesion within the multi-disciplinary teams, and implementing staff suggestions.	<p>Management agrees that improved communication would enhance the loan application process. Through the process of updating procedures, input will be sought for ways in which to improve communications.</p> <p><b>Target Implementation Date: 8/31/2012</b></p>	On-going and on target.
	(ii) Streamlining the current meeting log.	<p>Management agrees that there may be redundancy and inefficiencies with the current meeting schedule. Through the process of updating procedures, each meeting identified will be reviewed for usefulness and efficiency.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(iii) Developing and publishing definitions of the key terms used in the application review process.	<p>Management agrees that using terms consistently will enhance communication across the agency and with applicants. Definition of terms should be included in the updated procedures.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(iv) Developing written procedures for each meeting. The written procedures should designate a leader for each meeting and require meeting leaders to provide attendees with an agenda detailing the applications and issues for discussion prior to the meeting to assist them with preparation.	<p>Management agrees that meetings could be more efficient. Meetings identified as necessary to the process will be incorporated in to the procedures.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
	(v) Providing meeting guidelines (including ground rules) and training on how to conduct effective meetings.	<p>Management agrees that meetings could be more efficient. Operations and Administration will provide training on effective meetings.</p> <p>Responsible Party: Deputy Executive Administrator, Operations &amp; Administration</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target. HR plans to conduct training on How to Conduct Effective Meetings in June or July. A training CD and material have also been ordered and will be available for staff use.
	(vi) As much as possible, utilizing TxWISE and email for project updates. This should include requiring reviewers to post (into TxWISE) information from meetings and phone calls with clients to keep the rest of the team abreast of developments.	<p>Management agrees that with the development of TxWISE, it should be utilized more fully by all staff to document project information.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(vii) Clarifying responsibility and authority levels to guide staff's decision-making.	<p>Management agrees that updated procedures should clarify roles, responsibilities and authority of staff.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
1.1 Employee Training	Provide desk reviewers the opportunity to periodically participate in on-site tours and outside training. Wherever feasible, hold pre-application meetings on-site. In addition, require staff to show initiative in identifying relevant training as part of the annual employee performance review process.	<p>Management agrees that both site visits to projects and applicable training are beneficial to staff, and will incorporate both within the budget available. Performance plans will be revised to incorporate the responsibility of staff to actively participate in independent job-related research and participating in both external and on-the-job training.</p> <p><b>Target Implementation Date: 01/31/2013</b></p>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
2.1 Reviews are not performed in a timely manner	(i) Setting formal measurable performance targets, tracking actual performance and holding staff accountable and using performance data to achieve a more evenly-distributed workload.	Management agrees that measurable performance targets should be identified and utilized to track performance, now that TxWISE provides the tool to perform the tracking. The performance data will be utilized to structure the workload, within available budget.  <b>Target Implementation Date: 01/31/2013</b>	On-going and on target. Initial meeting was held on 3/26/2012 at which a team was established.
	(ii) Enforcing client deadlines and holding staff accountable for noncompliance with agency rules and procedures.	Management agrees that deadlines will be identified and clarified, with procedures in place for elevating client issues that prevent meeting deadlines.  <b>Target Implementation Date: 01/31/2013</b>	On-going and on target.
	(iii) Extending the agency's 14-day client response deadline to the state programs.	Management will consider extending the client response deadline to state programs.  <b>Target Implementation Date: 08/31/2012</b>	On-going and on target.
	(iv) Considering whether to require each area to perform its own "administratively complete" review or to assign the review to technicians, following appropriate training.	Management will consider the most efficient and effective way to perform "administratively complete" reviews.  <b>Target Implementation Date: 08/31/2012</b>	On-going and on target. Initial meeting and team established 3/26/12.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
	(v) Revising the PIF to include more information on the proposed project, including (where possible) information on the client's readiness to proceed.	<p>Management agrees. The Readiness to Proceed Form was implemented during November 2011 for all State Revolving Fund Projects. All projects must submit this form. The form is used to make the determination of what phases/how much funding will be offered to the project for that commitment.</p> <p><b>Target Implementation Date: 11/30/2011</b></p>	<b>Complete.</b> Revised PIF with instructions. These were made available on December 1, 2011 for FY2013.
	(vi) Requiring potential applicants to participate in a pre-application meeting before submitting their application.	<p>Management agrees that participation in pre-application meetings is useful, and potential applicants for the SRF programs are required, via language in the invitation letter, to participate in pre-application meetings starting with invitations extended for SFY 2012.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	<b>Complete.</b> Requirement is in invitations for SRF funding. Pre-application meetings are strongly encouraged for all applications but the final decision as to appropriateness per application should be left to management.
	(vii) Considering implementing an online loan application system.	<p>Management agrees that this would be beneficial. This will be considered, along with other technology projects, for prioritization.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and change of target. The development of an on-line loan application has been added to the IT project priority list. Due to current IT projects and limited staff, work on this project will likely not begin until the end of FY 13 or July/August of 2013.
2.1.2 Technical Reviews	(i) Brainstorming on ways to obtain (upfront) some of the information commonly requested after the application is submitted. (Staff may need to ask for more information in preparation for the pre-application meeting).	<p>Management agrees that information commonly requested should be reviewed and determination will be made on how better to obtain the information.</p> <p><b>Target Implementation Date: 01/31/2013</b></p>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
	(ii) Re-evaluating the purpose of the pre-application meetings.	Management will review the purpose and effectiveness of all meetings and determine ways to improve.  <b>Target Implementation Date: 10/31/2012</b>	On-going and on target.
	(iii) Performing periodic reviews of the standardized application to ensure it continues to meet TWDB's information needs.	Management plans to review the standardized application to ensure it continues to meet TWDB's information needs at least annually starting September 1, 2012. <b>Target date September 30, 2012.</b>	On-going and on target.
	(iv) Implementing a substantive loan committee-type meeting approximately a week into the start of the review process to discuss the issues. To improve ongoing real-time discussion of the issues, establish a discussion forum with management participation.	Management will incorporate a potential loan committee type meeting earlier in the process in its discussion of all meetings. A discussion forum in TxWISE will be considered, but must be prioritized within existing TxWISE needs.  <b>Target Implementation Date: 10/31/2012</b>	On-going and on target.
	(v) Improving staff understanding of the project by revising the PIF (for federal programs) to require a more detailed description of the proposed project. In addition, improve the effectiveness of the pre-application meeting by requiring the attendance of the client's main review contacts (i.e. Financial Analyst, Engineer and Bond Counsel). There may be some benefit in also including the TWDB's Program & Policy Development staff in the pre-application meeting.	The Project Information Form for SFY 2013 includes the readiness to Proceed criteria that is included in a form during the SFY 2012. Starting with the PIFS received for the upcoming funding cycle, TWDB staff will have more detailed data about the project milestones and schedule up front to offer more specific and appropriate invitations to SRF projects. Attendance at pre-application meetings will be reviewed, but may be constrained by available resources.  <b>Target Implementation Date: 08/31/2012</b>	<b>Complete.</b> PIF has been revised to include additional information. Modifications and effectiveness of meetings is being met with other recommendations.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
	(vi) Empowering staff to reject poor quality/incomplete loan applications, based on guidelines.	<p>Management agrees there should be guidelines and will consider procedures to guide staff on the appropriate quality/ completeness of an application, and the appropriate process to be followed if the application is of poor quality/incomplete, which may include elevating to management for consideration of rejecting the application.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(vii) Improving oversight and guidance, especially in setting priorities and resolving issues. In addition, provide staff with firm guidelines on when to reject an application.	<p>Management will improve the oversight and guidance through the updating of procedures to include priorities and guidelines on handling poor quality or incomplete applications.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(viii) Wherever possible, considering a reduced level of technical review on the less risky clients. Such a risk-based approach would require management to provide staff with strict guidelines, training and oversight.	<p>Management will consider efficiencies where possible while keeping in mind the fiduciary responsibility to the state in reviewing all loans as to the expectation of repayment.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
2.2 Quality control review	Streamline the current quality control review into a crisper and more substantive process. Reduce the levels of review, while making each review more substantive.	<p>Management agrees and has implemented steps to reduce levels of review by utilizing the existing loan committee process.</p> <p><b>Target Implementation Date: 1/31/12</b></p>	<b>Complete.</b> Board memos have been revamped and the review process has been changed.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
2.3 Board Write-up Process	Improve the Board write-up process by automating and streamlining the development, review and approval of the write-up, while tracking the timeliness of each step in TxWISE.	<p>Management agrees and is currently in the process of revising the style of the Board memo, as well as the process. While some areas of the agency have embraced the use of TxWISE for this process, others are currently implementing TxWISE in anticipation of the time it becomes the system of record.</p> <p><b>Target Implementation Date: 06/30/2012</b></p>	On-going and on target.
2.4 Utilizing TxWISE	(i) Requiring reviewers to utilize TxWISE. Reviewers should perform their reviews in TxWISE as opposed to only signing-off on the checklist.	<p>Management agrees that TxWISE should be fully utilized to the extent it can at this time.</p> <p><b>Target Implementation Date: 05/31/2012</b></p>	On-going and on target.
	(ii) Tightening controls within TxWISE to ensure staff can only sign-off on checklist items assigned to them.	<p>Management agrees that staff should be clear on the assignment of items. While this may be possible in TxWISE, it would have to be prioritized, and may not be as high a priority as completing implementation. As a procedural issue this can be accommodated through updated procedures.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(iii) Requiring quality control procedures to include verification of completion of the TxWISE checklist.	<p>Management agrees that the quality control procedure should be addressed in the written procedures and TxWISE should be utilized to the fullest extent.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
	(iv) Requiring reviewers to utilize the TxWISE milestone and electronic reminder service.	<p>Management agrees that TxWISE attributes should be utilized, whether automated milestones or manual reminders accomplished through reports.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(v) Setting guidelines and performance targets on the timeliness, and consistency with which milestones and other important information is entered into the database.	<p>Management agrees that information should be entered in to TxWISE in a timely manner and guidelines will be included in the procedures.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(vi) Updating TxWISE for changes in roles and tasks in a timely manner.	<p>Management agrees that TxWISE should be updated for changes in roles and responsibilities, in accordance with the updated procedures.</p> <p><b>Target Implementation Date: 09/30/2012</b></p>	On-going and on target. A TxWISE systems access review was completed in March 2012. In accordance with TWDB policy, managers should complete system access updates when staff functions change.
	(vii) Enhancing TxWISE to allow tracking of milestones for multiple applications within the same project.	<p>TxWISE tracks milestones for multiple loans within the same project after closing. Management will consider, based on staff input, whether this should be available prior to closing. If so, this will have to be considered within the prioritization of all TxWISE enhancements</p> <p><b>Target Implementation Date: 06/30/2012</b></p>	On-going and on target. The programming enhancement portion of this recommendation was released in TxWISE in December 2011. Currently, staff is in the process of completing administrative and procedural steps for full implementation.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
	(viii) Providing cross-training to minimize business disruption in the event of staff turnover.	<p>Management agrees that cross-training is beneficial, and has identified training opportunities and software to reduce the reliance on one person. Management also recognizes that the documentation of processes reduces the likelihood of business disruption in the event of employee turnover.</p> <p><b>Target Implementation Date: 06/30/2012</b></p>	<p><b>Complete.</b> Staff (Scot Foltz, Albert Murillo, Ben Benzaquen, Carl Speed, LeeRoy Lopez, Monica Galuski, Curtis Moore, Isaac Dimayuga, Shane Groves, Bill Allen, Sabrina Anderson, Andrew Finnell, Bryan Anderson, Janie Hopkins and John Sutton) attended TxWISE report development training on January 24-26, 2012.</p>
2.1 Review Documentation	(i) Developing a standard for the required level of work paper documentation, with input from reviewers. The standard should also include the expected substantiation procedures for each item, which should be part of the technical review checklist. Reviewers should check for compliance with documentation standards as part of the quality control review.	<p>Management agrees and will ensure that the standards of documentation are included in the updated procedures.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(ii) Providing more guidance on credit rating and minimum review and substantiation requirements, for consistency.	<p>Management agrees and will ensure guidance is included in the updated procedures.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.
	(iii) Requiring staff to input review results in TxWISE.	<p>Management agrees and will ensure this requirement is included in the updated procedures.</p> <p><b>Target Implementation Date: 08/31/2012</b></p>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
	(iv) Revising review checklists to show the actual work, including substantiation procedures performed, and including precise descriptions of what work is being checked off. In addition, requiring staff initials (as opposed to check marks) may provide more accountability.	Management agrees, and will review what would be required to make these changes in TxWISE. Any necessary changes would be prioritized with other TxWISE enhancements.  <b>Target Implementation Date: 09/30/2012</b>	On-going and on target. Current process requires staff to print the checklist, sign, and store in the file. TxWISE has a project notify utility that stores who changed what. Additional programming enhancements for TxWISE are not necessary.
4.1 TWDB Policies	(i) Legal Services, in collaboration with Policy Development, should develop a central depository of TWDB policies.	Management agrees that policies should reside in a central area.  <b>Target Implementation Date: 12/31/2012</b>	On-going and on target.
	(ii) Publish the policies on the TWDB intranet, with notifications to staff on revisions as and when they occur.	Management agrees that policies should be available to all employees, with the intranet being an appropriate repository.  <b>Target Implementation Date: 12/31/2012</b>	On-going and on target.
	(iii) Publish the policies on the internet, for stakeholder use.	Management agrees that policies affecting stakeholders should be available so they can be aware of requirements and considerations.  <b>Target Implementation Date: 01/31/2013</b>	On-going and on target.
	(iv) Periodically review the policies for continued relevance.	Management agrees that policies need to be reviewed on a periodic basis and will develop a procedure to ensure policy review is documented.  <b>Target Implementation Date: 01/31/2013</b>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
4.2 Utilizing the Planning, Acquisition, and Design (PAD) Funding Option	(i) Implementing formal detailed criteria on when staff can utilize which funding option. Program and Policy Development should develop the criteria in consultation with Legal Services, Financial Assessment, Construction Assistance, and Project Oversight.	Management agrees. In November 2011 staff implemented the use of a Readiness to Proceed Form for potential applicants. The use of the information from this form will be documented in procedures to provide guidance on utilization of funding options.  <b>Target Implementation Date: 03/31/2012</b>	<b>Complete.</b> Readiness to Proceed Form (RTP) and guidance is being used for SRF projects.
	(ii) Incorporating the criteria into TWDB guidance and policy.	Management agrees. In November 2011 staff implemented the use of a Readiness to Proceed Form for potential applicants. The use of the information from this form will be documented in procedures to provide guidance on utilization of funding options.  <b>Target Implementation Date: 03/31/2012</b>	<b>Complete.</b> The RTP and guidance on its use is complete and in use.
	(iii) Marketing the PAD option to TWDB clients.	Management agrees that borrowers should be aware of the PAD option. While there is no formal marketing area, Construction Assistance has been informing consultants about the benefits of the PAD option.  <b>Target Implementation Date: 8/31/12</b>	<b>Complete</b> and on-going. Staff is versed in the PAD option and relays the option to potential clients during meetings and discussions. Construction Assistance has developed procedures for determining the availability of the option.
	(iv) Holding staff accountable for adhering to the criteria.	Management agrees that staff should be accountable for adhering to all procedures identified by management. Performance plans should incorporate loan application procedures as updated.  <b>Target Implementation Date: 01/31/2013</b>	On-going and on target.

**Review of the Loan Application Process (Report # 20120202) - Second Quarter 2012**

Audit Issue	Audit Recommendations	Management's response	Management's Report on Implementation Status
4.3 Written Procedures	Develop a central depository of written procedures that guide the loan application process.	Management agrees that procedures should be available in a central repository.  <b>Target Implementation Date: 10/31/2012</b>	On-going and on target.

**Texas Water Development Board  
Implementation Status of Outstanding Audit Issues  
April 2012**

EXTERNAL AUDITS				
Report Date	Name of Report	Finding	Recommendation	Status of Implementation
February 2012	State of Texas Compliance with Federal Requirements for Selected Major Programs for fiscal year ended August 31, 2011.	<p><u>Capitalization Grants for CWSRF</u></p> <p>For 12 (57%) of the 21 payroll charges tested, TWDB did not base its payroll charges on actual work completed.</p> <p>For 67% (24 out of 36) of the non-ARRA payroll charges tested and 28% (7 out of 25) of the ARRA payroll charges tested, TWDB did not base its payroll charges on actual work completed.</p>	The Board should develop and implement processes to ensure that all payroll costs it charges to federal programs are allocable to the federal award and that it bases its allocation methods on an after-the-fact distribution of actual time worked.	<p>Management recalculated payroll charges to the CWSRF and DWSRF based on actual time spent on the programs, and performed a correcting entry on March 1. Newly developed procedures include such an adjustment every quarter.</p> <p>Implementation Date: March 2012</p> <p><i>Responsible party: Renita Bankhead, Director of Budget</i></p>
		<p><u>Capitalization Grants for CWSRF</u></p> <p>The Board was unable to provide evidence that it communicated the CFDA number and other required information to 14% (1 out of 7) of the sub-recipients of Capitalization Grants for Clean Water State Revolving Funds tested.</p>	The Board should communicate required award information, including the CFDA number, to all sub-recipients and maintain evidence of that communication.	<p>TWDB enhanced its procedures by implementing an Award Letter Policy for entities subject to Single Audits, and a letter template which includes all the required elements for use by staff.</p> <p>Implementation Date: March 2011</p> <p><i>Responsible party: Piper Montemayor, Director of Debt &amp; Portfolio Management</i></p>

**EXTERNAL AUDITS**

<b>Report Date</b>	<b>Name of Report</b>	<b>Finding</b>	<b>Recommendation</b>	<b>Status of Implementation</b>
		<p><u>Capitalization Grants for DWSRF</u></p> <p>The Board was unable to provide evidence that it communicated the CFDA number and other required information to 20% (1 of 5) of the sub-recipients of Capitalization Grants for Drinking Water State Revolving Funds tested.</p>	<p>The Board should communicate required award information, including the CFDA number, to all sub-recipients and maintain evidence of that communication.</p>	<p>TWDB enhanced its procedures by implementing an Award Letter Policy for entities subject to Single Audits, and a letter template which includes all the required elements for use by staff.</p> <p>Implementation Date: March 2011</p> <p><i>Responsible party: Piper Montemayor, Director of Debt &amp; Portfolio Management</i></p>
		<p><u>Capitalization Grants for DWSRF</u></p> <p>The Board did not issue a management decision on audit findings within 6 months after receipt of a sub-recipient's audit report for 1 of 2 sub-recipients tested that had single audit findings.</p>	<p>The Board should issue a management decision on audit findings within six months after receipt of a sub-recipient's audit report.</p>	<p>New procedures issue management findings within six months after receipt of the sub-recipient's audit report. These were implemented in March, 2012</p> <p><i>Responsible party: Piper Montemayor, Director of Debt &amp; Portfolio Management</i></p>