



Performance Audit of the Port of Los Angeles Community Investment Grants Program

Harbor Commission Audit
Committee

January 30, 2025

Community Investment Grants (CIG) Program: Objectives

The overall objectives were to evaluate the program's policies and procedures as they relate to outreach, awarding of grant funds, monitoring of awarded grant objectives, and any necessary reporting.

1. Review all policies and procedures relating to the CIG program to ensure compliance throughout the grant award process;
2. Assess grant awards to determine compliance with the California Tideland Public Trust Doctrine, and
3. Review the CIG program applications and decision processes for consistency and equity in granting awards.

Community Investment Grants Program Background

- The Port had consistently been funding projects and providing sponsorships. The Port wanted to open the funding process to other non-profit community organizations in the community.
- The program began as a pilot project in 2014. The program was well received and had the intention to conduct a selection process twice a year.
- The Port has increased its total grant amount and the number of grants allocated of each year.



Audit Plan

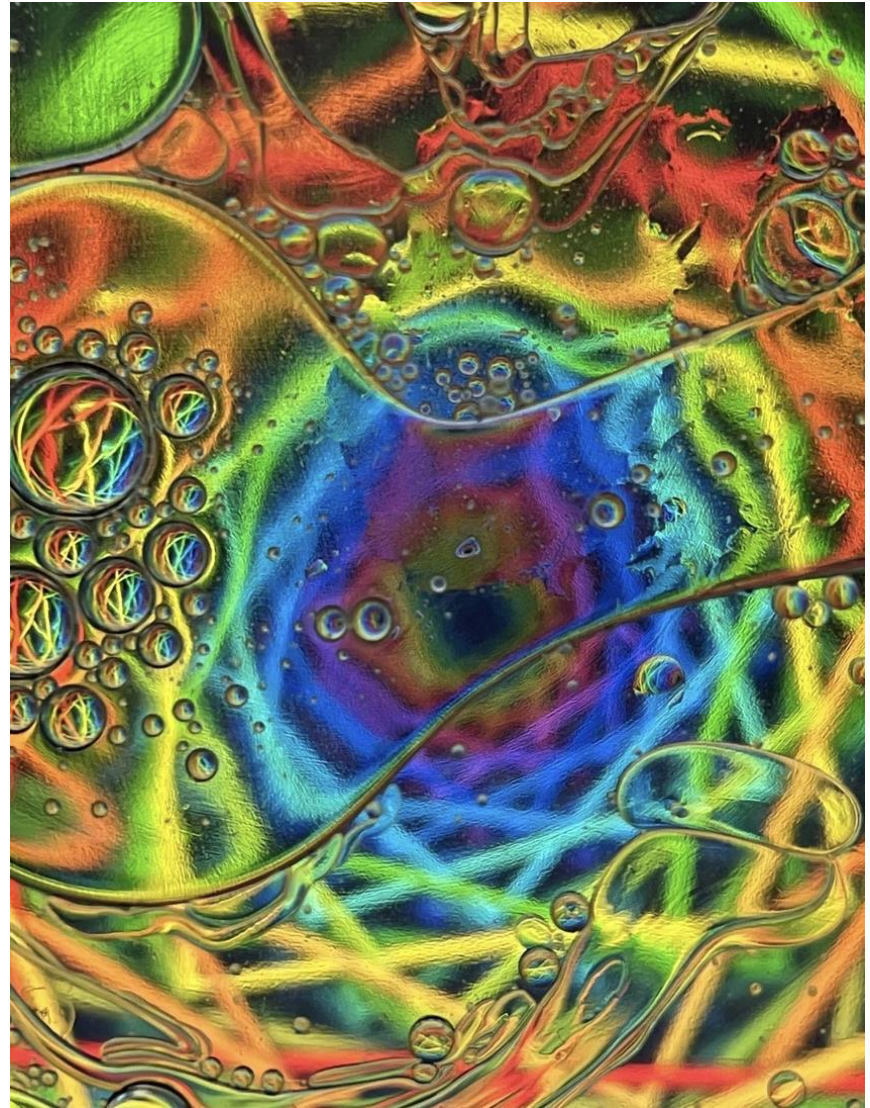
- Conducted interviews with stakeholders – Community Relations Staff, Grant Selection Committee Members, POLA Department Mangers
- Reviewed current policies, procedures, and practices for the CIG program
- Reviewed applications from FY 2021-22, FY 2022-23 and FY 2023-24
- Conducted survey of all grant applicants from the the last three years.
- Benchmarked CIG programs of other ports in California
- Analyzed compliance to policies and procedures
- Provide recommendations for improvements

Audit Finding 1:
The Community Investment Grants program lacks sufficient written procedures.

Recommendation:

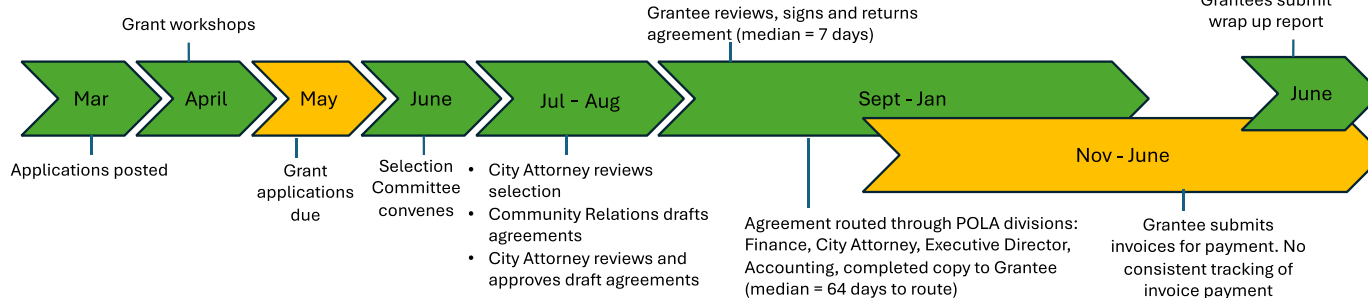
1.1 The Community Relations Department should develop a policies and procedures document to manage the Community Investment Grants program. The document should include expected timing for each step in the process, along with who is responsible for each step.

1.2 Ensure that the developed policies and procedures relating to the Community Investment Grant program meet each of the relevant Departmental policies and guidelines.

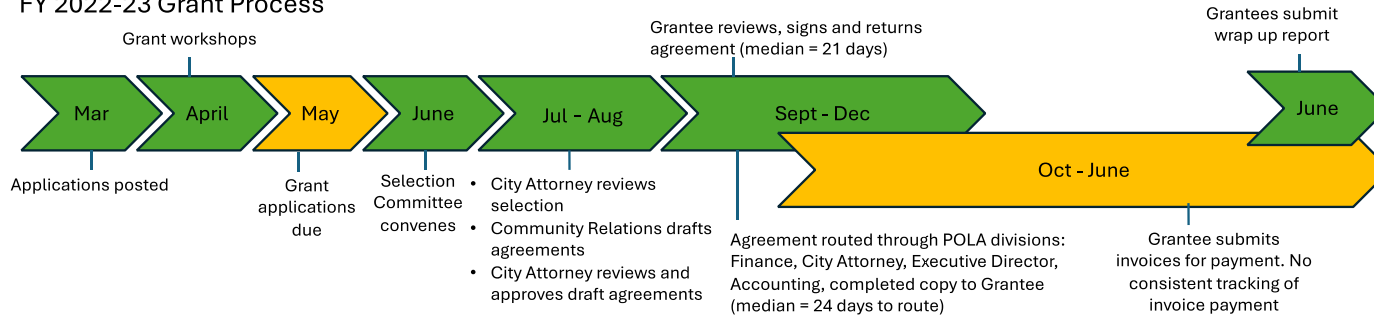


Audit Finding 2: The review and processing of grant awards took significantly longer than what was initially represented to grant applicants.

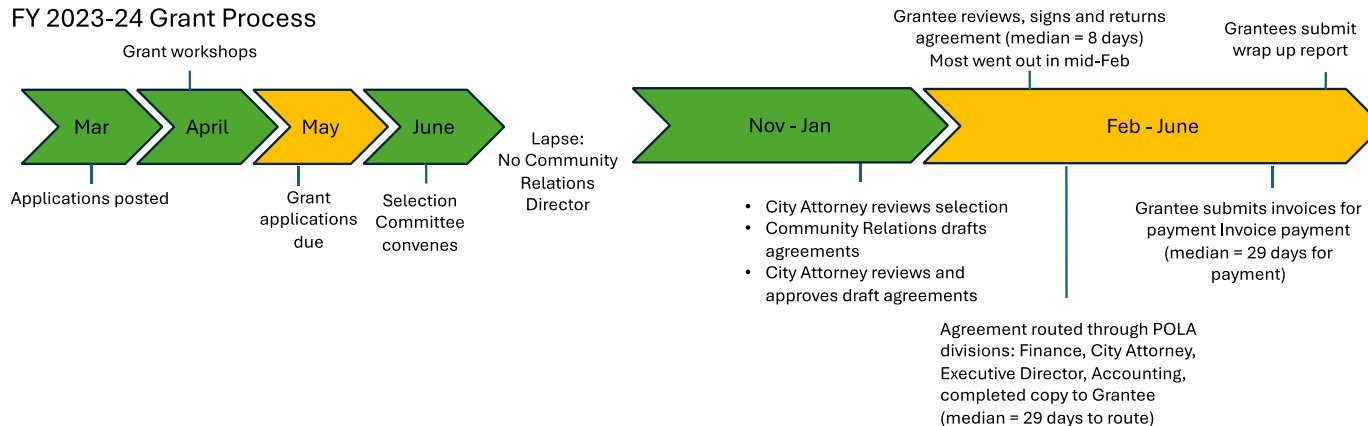
FY 2021-22 Grant Process



FY 2022-23 Grant Process



FY 2023-24 Grant Process



Recommendations



2.1 The Director of Community Relations should oversee and troubleshoot any problems to reduce payment timing as defined in the policies and procedures.



2.2 The Director of Community Relations should designate specific staff to regularly monitor the status of all the steps of the grant application and payment process steps in the grant process to ensure timely processing.



2.3 The Stakeholder Engagement Bureau should provide an electronic form for the grant application.

Finding 3:
Rejected grant applicants
whose activity does not meet
the Tidelands Trust Nexus
requirements are not notified
of the specific reason for the
rejection of their
applications.

Recommendation:



3 The Director of Community Relations should identify types of causes that are controllable and provide specific feedback to prevent assumptions for rejections.

Finding 4:

Insurance requirements are not clearly outlined the application.

It is only when selected that applications are provided with a grant agreement that the full insurance requirements are presented to the grantee.

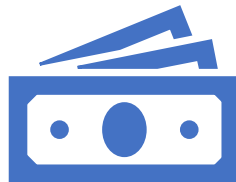


Recommendation:

4 The Deputy Executive Director of the Stakeholder Engagement Bureau and the Director of Community Relations should specify minimum insurance requirements with the Director of Risk Management on required insurance coverage to place in the application information. Specific examples should be identified and potential information requirements should be communicated to grantees at the application stage.

Observation 1:

Community organizations may not realize that some applicants have already been allocated grant awards for multiple years. The annual announcement of the Community Investment Grants includes the total grant program amount including those amounts which already been determined. New applicants may believe there are more funds available and the Port may miss the opportunity to fund new grant programs. Consistently, over half of the grant awards were made to returning grant programs.



Observation 1 Recommendation:

The Stakeholder Engagement Bureau should promote funds available for new grantees, while still promoting their investment in existing repeat grants.

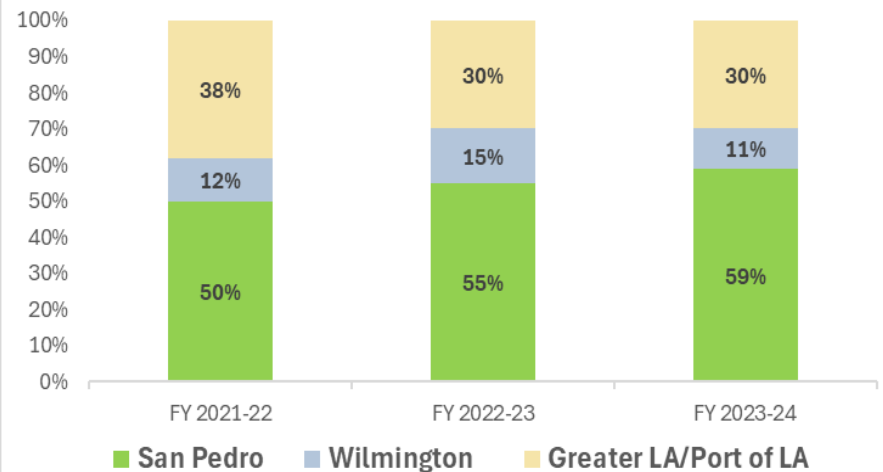
Observation 2:


More grant awards are given to organizations in San Pedro than in Wilmington. San Pedro organizations received approximately half the grant allocations, while Wilmington organizations received only 10-15% of the grant allocations over the last three fiscal years.

Observation 2 Recommendations:

- 1 To achieve greater equity in allocation, the Grants Selection Committee should seek to allocate grant funds to the communities of San Pedro to Wilmington based on its population at the ratio of 3:2.
- 2 The Director of Community Investment Grants should include the awardee community demographics when reporting out on awards each year.

Percentage of Grant Awards by Community, FY22-FY24





Audit Committee Questions and Discussion

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