

**Office of Inspector General
Corporation for National and
Community Service**

**FOLLOW-UP REVIEW OF CORPORATION
POLICY AND CONTROLS FOR REFILLING
VACATED AMERICORPS MEMBER
POSITIONS/SLOTS**

OIG REPORT 08-09



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

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This report was issued to Corporation management on January 25, 2008. The Corporation's response to the draft report agreed with the recommendation and is considered to be the Management Decision. Under the laws and regulations governing audit follow-up, the Corporation is to complete its corrective actions by January 26, 2009. Consequently, the reported finding does not necessarily represent the final resolution of the issues presented.



OFFICE OF INSPECTOR GENERAL

January 25, 2008

TO: Kristin McSwain, Director of AmeriCorps*State and National

FROM: Carol Bates *Carol Bates*
Assistant Inspector General for Audit

SUBJECT: Office of Inspector General Report 08-09, *Follow-Up Review of Corporation Policy and Controls for Refilling Vacated AmeriCorps Member Positions/Slots*

Attached is the final report on our *Follow-Up Review of Corporation Policy and Controls for Refilling Vacated AmeriCorps Member Positions/Slots*.

Under the Corporation's audit resolution policy, the notice of final action is due by January 26, 2009.

If you have questions pertaining to the final report, please contact Jim Elmore, Audit Manager, at (202) 606-9354.

Attachment

cc: Jerry Bridges, Chief Financial Officer
William Anderson, Deputy Chief Financial Officer
for Financial Management
Sherry Blue, Audit Resolution Coordinator

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**FOLLOW-UP REVIEW OF CORPORATION POLICY AND CONTROLS FOR
REFILLING VACATED AMERICORPS MEMBER POSITIONS/SLOTS**

Table of Contents

EXECUTIVE SUMMARY	1
BACKGROUND	1
OBJECTIVE, SCOPE, AND METHODOLOGY	2
EXIT CONFERENCE	2
OBSERVATIONS	2
CORPORATION RESPONSE	4
OIG COMMENT	4
APPENDIX: CORPORATION RESPONSE	5

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) reviewed the Corporation for National and Community Service's (Corporation) policy and controls for refilling vacated AmeriCorps member positions (slots) because the Corporation revised its policies in May 2007. We also reassessed the Corporation's controls to ensure that AmeriCorps member enrollment does not exceed the number of approved slots and complies with Corporation policy.

We found that controls were adequate to ensure enrollment does not exceed slot availability. We also found manual control processes mitigated an automated control process in the Web Based Reporting System (WBRS) that did not reflect policy provided in AmeriCorps provisions. We recommended that the Corporation revise its automated, real-time controls to agree with its policy, and the Corporation agreed with the recommendation.

BACKGROUND

AmeriCorps members enroll to serve in one of the three AmeriCorps programs: AmeriCorps*State and National, AmeriCorps*NCCC (National Civilian Community Corps), and AmeriCorps*VISTA (Volunteers in Service to America). Members earn education awards if they complete required terms of service. The Corporation provides Federal assistance through grants to various entities that enroll members; however, the Corporation funds education awards earned by AmeriCorps members, whether in an initial slot or a refilled slot, separately using funds appropriated for the National Service Trust (Trust). The Corporation also directly enrolls and approves the enrollment of members in NCCC and VISTA. The Corporation maintains the integrity of the Trust in part by controlling and monitoring membership enrollment.

The Corporation's data collection and reporting system, WBRS, was intended to reduce duplication of information and speed up the process of data collection, make data collection requirements clear, and make collected data available for the grantees' use. AmeriCorps State subgrantees or National grantees are required to use WBRS to record transactions for AmeriCorps members, which included member service hours and changes to members' status. Automated controls in WBRS also assist the Corporation in monitoring and controlling slot refills. The Corporation plans for My AmeriCorps Portal (Portal) to replace some WBRS capabilities and to be fully operational by April 2008.

The Corporation initially revised its refill policy in January 2005, permitting grantees to refill the slots of AmeriCorps members who had terminated service before completing 15 percent of their service hour requirements and who had not earned an education award. In response to a Congressional request, the OIG reported in September 2004 on the proposed safeguards the Corporation planned to implement to accommodate the revised refill policy. We were satisfied that the Corporation had real-time data available to monitor enrollment and refills, thereby preventing over enrollment.

In May 2007, the Corporation again revised its refill policy to allow grantees to refill positions/slots for AmeriCorps members who had vacated their positions before completing 30 percent of their respective service terms, provided the members had not earned an education award.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of our review was to determine whether the Corporation had adequate controls in place to prevent over enrollment of AmeriCorps members. We identified, documented, and reviewed laws, policies, and procedures that apply to member enrollments and examined changes in procedures and controls revised as a result of the Corporation's May 2007 revision of its refill policy. We also interviewed Corporation officials; compiled and examined supporting documents used for recording and reporting enrollment; and analyzed the information gathered.

Our review was conducted from October to November 2007 at Corporation headquarters, and we held several meetings and telephone conversations with Corporation officials through November 7, 2006. We provided a draft of this report to Corporation officials for comment on December 17, 2007. The Corporation's comments are included in the Appendix to this report.

Our review was conducted in accordance with Quality Standards for Inspections (January 2005) issued by the President's Council on Integrity and Efficiency.

EXIT CONFERENCE

We conducted an exit conference with Corporation representatives on December 14, 2007, and discussed the results of the review.

OBSERVATIONS

We reviewed the revised WBRS program scripts and discussed them with Corporation officials, who demonstrated that WBRS revisions allow only the refill of slots vacated by members who served less than 30 percent of their term of service and who did not meet the requirements to earn a partial education award. The demonstration also showed that the same slot cannot be refilled more than once.

We also reviewed the warning process that would automatically generate e-mails that notify Corporation officials to suspend refilling slots when (1) the total AmeriCorps enrollment reaches 97 percent of planned slots; or (2) the number of refilled slots reaches 5 percent of planned slots. The system is configured to send e-mails to WBRS programmers and to an official in the Office of Chief Financial Officer in the event that a threshold is breached. The OIG reviewed WBRS scripts and examples of warning e-mails and confirmed implementation of this control in WBRS. But we found that the calculations should have

been based on awarded slots as provided in AmeriCorps Provisions, not planned slots. AmeriCorps Provisions, *AmeriCorps Special Provisions*, IV.F. *Changes in Member Status*, paragraph 3.c., states in part:

Refilling Slots. Eligible AmeriCorps*State and National programs that have fully enrolled their awarded member slots are allowed to replace any member who terminates service before completing 30 percent of his/her term (effective May 17, 2007) provided that the member who terminates is not eligible for and does not receive a pro-rated education award. Programs may not refill the same slot more than once.

As a fail-safe mechanism to ensure that corporate resources are available in the national service trust to finance any member's education award, the Corporation will suspend refilling slots if either:

- i. total AmeriCorps enrollment reaches 97 percent of awarded slots or
- ii. the number of refills reaches five percent of awarded slots.

Notwithstanding this contradiction in WBRS, the Office of the Chief Financial Officer independent of the WBRS control calculates this percentage (refills/awarded positions) each month and would therefore be aware of instances in which refills breach the 97-percent or the 5-percent thresholds.

We do not recommend revising WBRS to reflect Corporation policy because some WBRS capabilities will be replaced by the Portal. However, without automated controls, the Corporation lacks real-time visibility; therefore, the Corporation should incorporate automated controls in the Portal that would reflect the 97-percent and 5-percent thresholds of awarded positions.

Based on discussions with Corporation officials, their demonstration of WBRS program scripts, and our review of documentation, we are satisfied that the Corporation has adequate controls to:

- Allow only the refilling of slots vacated by members who served less than 30 percent of their respective term and who did not earn an education award;
- Allow refilling of a slot only once; and
- Provide the Corporation with visibility, although not real-time visibility, when refills have reached 97 percent of awarded slots or when the number of refilled slots reaches 5 percent of awarded slots.

Recommendation: We recommend that the Corporation incorporate automated controls of refills into My AmeriCorps Portal that use awarded slots as the basis for calculating the 97-percent and 5-percent thresholds, thereby providing the Corporation with real-time visibility to prevent over enrollment.

CORPORATION RESPONSE

The Corporation stated that it plans to incorporate the automated controls over refilling vacated AmeriCorps member positions/slots currently in WBRS into the Portal, including the ability to use awarded slots as the basis for calculating the 97-percent and 5-percent thresholds set forth in the policy. The Corporation's verbatim response to the draft of this report is included as an appendix.

OIG COMMENT

The Corporation's planned action satisfies the intent of the recommendation.



Carol M. Bates
Assistant Inspector General for Audit
January 25, 2008

APPENDIX: CORPORATION RESPONSE

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

January 15, 2008

Carol Bates
Assistant Inspector General for Audit
Corporation for National and Community Service
Suite 830
Washington, D.C. 20525

Dear Ms. Bates:

Thank you for the opportunity to comment on the draft audit report, *Follow-Up Review of Corporation Policy and Controls for Refilling Vacated AmeriCorps Member Positions/Slots*. The Corporation is pleased that the audit found that the Corporation's controls over refilling member positions are effective and working as intended.

As the report notes, the Corporation is moving many of the member functions found in WBRS to the *My AmeriCorps Portal*. We plan to incorporate the automated controls over refilling vacated AmeriCorps Member Positions/Slots currently in WBRS in the portal, including the ability to use awarded slots as the basis for calculating the 97 percent and 5 percent thresholds set forth in the policy. Thank you for your helpful suggestions. We will keep you updated on our progress as we move forward.

Sincerely,



Kristin McSwain,
Director
AmeriCorps State and National

Cc: Jerry Bridges, Chief Financial Officer
William Anderson, Deputy Chief Financial Officer
Sherry Blue, Audit Resolution Coordinator

