

Report Number 97-28

July 15, 1997

C O R P O R A T I O N

F O R N A T I O N A L



S E R V I C E

OFFICE OF THE INSPECTOR GENERAL

Audit of
Volunteer Center of Topeka
Award Number 340-W040

The Inspector General must approve any request for public release of the report.

Office of the Inspector General
Audit of
Volunteer Center of Topeka
Award Number 340-W040

CORPORATION

FOR NATIONAL

 SERVICE

Leonard G. Birnbaum & Company, under contract to the Office of the Inspector General, performed an audit of the funds awarded by the Corporation for National Service to the Volunteer Center of Topeka. The audit covered the costs claimed during the period January 1, 1994 through March 31, 1997.

The audit included an examination to determine whether financial reports prepared by the auditee presented fairly the financial condition of the award and the award costs reported to the Corporation were documented and allowable in accordance with the terms and conditions of the award. We have reviewed the report and work papers supporting its conclusions and agree with the conclusions presented.

The firm found no questioned costs claimed under the award. Further, no material instances of noncompliance or any matters involving the internal control structure and its operations which would be considered material weaknesses were noted.

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Corporation for National Service
Office of Inspector General
Report No. 97-28

Grant Number 340-W040
to
Volunteer Center of Topeka
4125 Gage Center Drive, Suite 214
Topeka, Kansas 66604

Financial Schedules
and
Independent Auditor's Reports

For the Period
January 1, 1994 to March 31, 1997

Leonard G. Birnbaum and Company
Certified Public Accountants
6285 Franconia Road
Alexandria, Virginia 22310
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Corporation for National Service
Office of Inspector General
Audit of Volunteer Center of Topeka

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REPORT SUMMARY AND HIGHLIGHTS

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Corporation for National Service

We have performed an audit of the funds awarded by the Corporation for National Service (the Corporation) to the Volunteer Center of Topeka (Volunteer Center) under Grant No. 340-W040. Our audit covered the costs claimed during the period January 1, 1994, through March 31, 1997.

SUMMARY OF AUDIT RESULTS

Our audit of the costs claimed by the Volunteer Center for its Retired Senior Volunteer Program (RSVP) disclosed the following:

Award Budget	\$ 73,597
Claimed Cost	\$ 72,522
Questioned Cost	-

We have not questioned any of the claimed costs as a result of our audit.

COMPLIANCE AND INTERNAL CONTROL STRUCTURE

Our audit disclosed no material instances of noncompliance or any matters involving the internal control structure and its operations that we consider to be material weaknesses.

PURPOSE AND SCOPE OF AUDIT

Our audit covered the costs claimed during the period January 1, 1994 through March 31, 1997, under Grant No. 340-W040 which had an award period of July 1, 1992 through March 31, 1997.

Inspector General
Corporation for National Service

The objectives of our audit were to determine whether:

1. Financial reports prepared by the Volunteer Center presented fairly the financial condition of the award;
2. The system of internal control structure was adequate to safeguard Federal funds;
3. The Volunteer Center had adequate procedures and controls to ensure compliance with Federal laws, applicable regulations and award conditions; and
4. The award costs reported to the Corporation were documented and allowable in accordance with the award terms and conditions.

Our audit was made in accordance with generally accepted auditing procedures, and *Government Auditing Standards* (1994 Revision) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the amounts claimed against the grant award, as presented in the schedule of award costs (Exhibit A), are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Exhibit A. An audit also includes assessing the accounting principles used and significant estimates made by the auditee, as well as evaluating the overall financial schedule presentation. We believe our audit provides a reasonable basis for our opinion.

A copy of the draft report of this report was not provided to either the Corporation's State Program Office or to the Volunteer Center for comment since our audit did not disclose any questioned costs, material instances of noncompliance, or material weaknesses in the internal control structure.

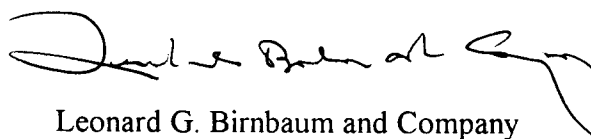
BACKGROUND

The Volunteer Center of Topeka, a nonprofit organization, was established to identify and refer volunteers, including senior citizens, to other nonprofit institutions located throughout the metropolitan Topeka area. In July 1992, the Volunteer Center was awarded a grant by the Corporation for National Service under Grant No. 340-W040 to further its goal of providing senior volunteers to the community.

Inspector General
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REPORT RELEASE

This report is intended for the information and use of the Corporation's management and its Office of Inspector General, and the Volunteer Center's management. However, this report is a matter of public record and its distribution is not limited.



Leonard G. Birnbaum and Company

Alexandria, Virginia
July 15, 1997

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

We have audited the costs claimed by the Volunteer Center of Topeka to the Corporation for National Service on the Financial Status Report - Federal Share of Outlays for the award number listed below. The Financial Status Report, as presented in the schedule of award costs (Exhibit A), is the responsibility of the Grantee's management. Our responsibility is to express an opinion on Exhibit A based upon our audit.

<u>Grant Number</u>	<u>Award Period</u>	<u>Audit Period</u>
340-W040	July 1, 1992 to March 31, 1997	January 1, 1994 to March 31, 1997

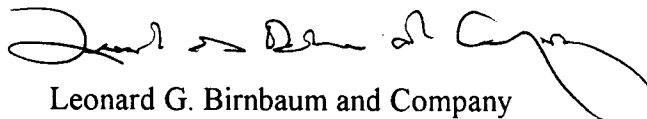
We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial schedule presentation. We believe our audit provides a reasonable basis for our opinion.

The accompanying financial schedule was prepared for the purpose of complying with the requirements of the award agreement as described in Note 1, and is not intended to be a complete presentation of financial position in conformity with generally accepted accounting principles.

Inspector General
Corporation for National Service

In our opinion, the Schedule of Award Costs (Exhibit A) referred to above presents fairly, in all material respects, the costs claimed in the Financial Status Report - Federal Share of Outlays for the period January 1, 1994 to March 31, 1997, in conformity with the award agreement.

This report is intended for the information and use of the Corporation's management and its Office of Inspector General, and the Volunteer Center's management. However, this report is a matter of public record and its distribution is not limited.



Leonard G. Birnbaum and Company

Alexandria, Virginia
July 15, 1997

FINANCIAL SCHEDULES

Volunteer Center of Topeka
 Corporation for National Service - Grant No. 340-W040
 Schedule of Award Costs
 From January 1, 1994 to March 31, 1997
 Final

<u>Cost Category</u>	<u>Approved Budget</u>	<u>(A) Claimed Cost</u>	<u>Questioned Costs</u>
<u>Volunteer Support Services</u>			
Project Staff			
Project Director	\$ 52,263	\$ 49,402	\$ -
Secretary	10,200	10,400	-
Fringe Benefits	4,836	4,752	-
Staff Local Travel	360	360	-
Staff Long Distance Travel	1,584	937	-
Training	-	866	-
Supplies	200	122	-
Contractual	50	-	-
Other			
Communications	100	195	-
Printing	950	325	-
Space	2,804	4,664	-
Postage	100	394	-
Total Volunteer Support Expenses	<u>73,447</u>	<u>72,417</u>	<u>-</u>
<u>Volunteer Expenses</u>			
Fringe Benefits-Insurance	150	55	-
Dues	-	50	-
Total Volunteer Expenses	<u>150</u>	<u>105</u>	<u>-</u>
Total Corporation Funds	<u>73,597</u>	<u>72,522</u>	<u>-</u>
Matching Funds	<u>49,302</u>	<u>39,429</u>	<u>-</u>
Total Funds	<u>\$122,899</u>	<u>\$111,951</u>	<u>\$ -</u>

(A) The total representing costs claimed agrees with the expenditures reported on the Financial Status Report-Federal Share of outlays as of the quarter ended March 31, 1997. Claimed costs reported above are taken directly from the auditee's books of account.

The accompanying notes are an integral part of this financial schedule.

Volunteer Center of Topeka
Corporation for National Service - Grant No. 340-W040
Notes to Financial Schedule

1. Summary of Significant Accounting Policies

Accounting Basis

The accompanying financial schedule, Exhibit A, has been prepared from the reports submitted to the Corporation. The basis of accounting utilized in preparation of these reports differs from generally accepted accounting principles. The following information summarizes these differences.

A. Equity

Under the terms of the award, all funds not expended according to the award agreement and budget at the end of the award period are to be returned to the Corporation. Therefore, the auditee does not maintain any equity in the award and any excess of cash received from the Corporation over final expenditures is due back to the Corporation.

B. Inventory

Minor materials and supplies are charged to expense during the period of purchase. As a result, no inventory is recognized for these items in the financial schedule.

2. Income Taxes

The Volunteer Center of Topeka, a nonprofit organization incorporated in the State of Kansas, is exempt from taxes under Section 501(c)(3) of the Internal Revenue Code.

INDEPENDENT AUDITOR'S REPORTS
ON
COMPLIANCE AND INTERNAL CONTROL STRUCTURE

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

We have audited the schedule of award, as presented in Exhibit A, which summarizes the financial reports submitted by the Volunteer Center of Topeka (Volunteer Center) to the Corporation for National Service (the Corporation) for the award listed below, and have issued our report thereon dated July 15, 1997.

<u>Grant Number</u>	<u>Award Period</u>	<u>Audit Period</u>
340-W040	July 1, 1992 to March 31, 1997	January 1, 1994 to March 31, 1997

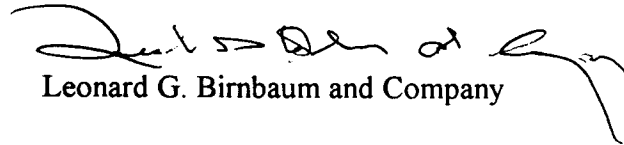
We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement.

Compliance with laws, regulations, and the provisions of the award is the responsibility of the Volunteer Center's management. As part of obtaining reasonable assurance about whether the financial schedules are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, and the terms and conditions of the award. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests of compliance indicate that, with respect to the items tested, the grantee complied in all material respects, with the provisions referred to in the third paragraph of this report.

Inspector General
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This report is intended for the information and use of the Corporation's management and its Office of Inspector General, and the Volunteer Center's management. However, this report is a matter of public record and its distribution is not limited.



Leonard G. Birnbaum and Company

Alexandria, Virginia
July 15, 1997

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE

We have audited the schedule of award costs, as presented in Exhibit A, which summarizes the financial reports submitted by the Volunteer Center of Topeka (Volunteer Center) to the Corporation for National Service (the Corporation) for the award listed below, and have issued our report thereon dated July 15, 1997.

<u>Grant Number</u>	<u>Award Period</u>	<u>Audit Period</u>
340-W040	July 1, 1992 to March 31, 1997	January 1, 1994 to March 31, 1997

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards* (1994 Revision), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement.

In planning and performing our audit of Exhibit A for the period January 1, 1994 to March 31, 1997, we considered the grantee's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial schedules and not to provide assurance on the internal control structure.

The grantee's management is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs on internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly

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Corporation for National Service

to permit the preparation of financial schedules in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

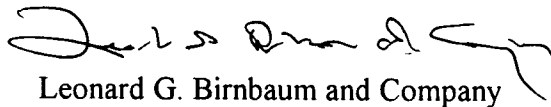
For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash Disbursements
- Cash Receipts
- Payroll/timekeeping
- Recordkeeping

For all of the internal control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we have assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of the specific internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial schedules being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information and use of the Corporation's management and its Office of Inspector General, and the Volunteer Center's management. However, this report is a matter of public record and its distribution is not limited.


Leonard G. Birnbaum and Company

Alexandria, Virginia
July 15, 1997