

American Recovery and Reinvestment Act (ARRA) Agency Compliance

All Agencies Receiving ARRA Funding:

All agencies receiving ARRA funding shall complete the Anticipated Funding Schedule for all ARRA programs within 10 days of receiving this guidance.

Agencies must design a system to inform their program administrators and any sub-grantees receiving ARRA funds that they have an obligation to report any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving the ARRA funds. This system should require signatures of all parties indicating understanding of their responsibility. To assist in reporting credible evidence of misuse of ARRA funds, the state has established a reporting mechanism on the Arkansas Recovery website at <http://recovery.arkansas.gov>

Agencies shall file a preliminary internal audit plan with DFA-OA Internal Audit Section within 20 days of receipt of this guidance. At a minimum, this audit plan shall include:

- Reviewing the most recent Single Audit Report for any findings related to programs that will receive ARRA funding;
- Reviewing and documenting current requirements of each ARRA funded program;
- Detailing the methods that will be used to monitor compliance with each program requirement (List all compliance requirements) ;
- Conducting detailed risk assessment and walk through of funded programs, noting risks and internal controls in place to mitigate risks associated with fraud, waste and abuse. Design corrective action plans as needed to mitigate risks;
- Internal control testing noted in risk assessment and walkthrough;
- If sub-recipients are used, a detailed plan of how they will be monitored.
- Monitoring the use of ARRA funds to indentify and prevent wasteful spending and minimize waste, fraud and abuse;
- Monitoring the obligation and expenditure of ARRA funds to ensure that the funds are expended in the allotted amount of time;
- Ensuring that qualified personnel oversee the ARRA funds;
- Monitoring for cost overruns;
- Monitoring for improper payments;
- Monitoring for compliance with section 1512 of the ARRA regarding quarterly reporting (Timeliness and Accuracy).
- Timeliness and Accuracy of FSR reporting.

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Within 15 days of the issuance of guidance for compliance requirements by the federal cognizant agency, the agency shall submit a final internal audit plan to the DFA-OA Internal Audit Section that includes:

- Reviewing and documenting any program changes required by compliance supplement for ARRA funded programs;
- Detailing the methods that will be used to monitor compliance with each new program requirement under ARRA (List the new requirements).

The DFA-OA Internal Audit Section will review the plans and make recommendations for changes as necessary.

As Internal Audit Programs are developed to execute the Internal Audit Plan, these audit programs shall be copied to DFA-OA's Internal Audit Section. The Internal Audit Section will review the audit programs and make recommendations for changes as necessary.

Within 30 days of the end of each quarter, agencies shall communicate the implementation of the Internal Audit Plan to the DFA-OA's Internal Audit Section by completing the Quarterly Reporting Form. The communication shall continue until the ARRA funds are fully expended. This communication shall include activities performed and any noted instances of wasteful spending, fraud or abuse of ARRA funds.

Agencies without Internal Audit Functions

The DFA-OA's Internal Audit Section will be available to assist agencies without internal audit functions in the development of their plan. The DFA-OA's Internal Audit Section will also be available to assist these agencies in the development of Internal Audit Programs to implement the Internal Audit Plan. Agencies shall assign adequate staff to perform the audits necessary to implement the Internal Audit Plan and report their results to the DFA-OA's Internal Audit Section.

The following attached instructions and forms are also available at the DFA-OA Internal Audit website at http://www.arkansas.gov/dfa/accounting/acc_ia_arra.html :

Anticipated Funding

- Instructions (IA-1)
- Reporting Schedule (FA-1)
- Single Audit Findings (FA-2)

Quarterly Reporting

- Instructions (IQ-1)
- Reporting Schedule (FQ-1)
- Audit Findings (FQ-2)

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All required reporting shall be submitted to the DFA-OA Internal Audit Section in electronic format to InternalAuditAcc@dfa.arkansas.gov

Instructions

Anticipated Funding Schedule (For ARRA Programs Only)

Column No.	Column Title	Instructions
(1)	CFDA No.	This is the Catalog of Federal Domestic Assistants Number that is given to the program. The Federal Agency should provide this number. There may be new CFDA numbers to distinguish American Recovery and Reinvestment Act of 2009 (ARRA) Funds. If you already know the new CFDA number please include both numbers; the original number first and the new(ARRA) CFDA number second.
(2)	Grant No.	This is the number assigned by the oversight agency that is used to track expenditures for a specific contract/grant agreement.
(3)	Program Title	This is the title of the program that corresponds to the CFDA No.
(4)	Single Audit Findings	This is a yes or no answer. If the answer is yes please explain on the Findings sheet.
(5)	2009 Budgeted Funding	This is the amount of the funding before any ARRA funds.
(6)	Anticipated ARRA Funds	This is the amount anticipated to be received for this program because of the ARRA.
(7)	Total Expended Y-T-D	This is actual expenditures as of February 28, 2009 on this program.
(8)	Sub recipients	This is a yes or no answer. If the answer is yes please complete columns 9, 10 and 11.
(9)	Y-T-D Sub recipient expenditures	This is the amount expended on sub recipients included in total expended year to date in column 7.
(10)	Estimated No. of Sub recipients	If the program utilizes sub recipients please estimate the number of sub recipients.
(11)	Average Value of Award to Sub recipients	This is an estimate of the average annual award given to each sub recipient.
(12)	Name of Program Administrator	This is the person responsible for ensuring that funds are expended appropriately and that compliance issues are followed.
(13)	Phone number of Program Administrator	This is the phone number of the person in column 12
(14)	E-mail address of Program Administrator	This is the e-mail address of the person in column 12

Single Audit Findings

Column No.	Column Title	Instructions
(1)	Finding No.	This is the finding number assigned by Legislative Audit in the current Single Audit Report.
(2)	Description of Finding	This is the finding included in the current Single Audit Report.
(3)	Corrective Action Plan	This is the management response in the current Single Audit Report.
(4)	Implementation date	This is the date the Corrective Action Plan was actually implemented.
(5)	Testing	This is a yes or no response
(6)	Results	If column 5 was yes; please indicate the results of the testing including the effectiveness of the corrective action plan and/or additional management responses required.

Quarterly Reporting Instructions

Quarterly Reporting Form

Column No.	Column Title	Instructions
(1)	CFDA No.	This is the Catalog of Federal Domestic Assistants Number that is given to the program. The Federal Agency should provide this number.
(2)	Grant No.	This is the number assigned by the oversight agency that is used to track expenditures for a specific contract/grant agreement.
(3)	Program Title	This is the title of the program that corresponds to the CFDA No.
(4)	Type of Testing Completed	This is the type of compliance testing that was performed during this quarter on these funds. Please be specific.
(5)	Budgeted Hours	This is the number of hours that the Internal Audit Function originally budgeted in the Audit Plan submitted to DFA-OA- Internal Audit function.
(6)	Actual Hours	This is the accumulated hours spent on testing for this program
(7)	Estimated % Complete	This is the estimated percentage of completion of this audit task for the entire audit plan.
(8)	Number of Findings	This is the number of total unresolved audit findings for this program.
(9)	Total Expended Y-T-D	This is the amount expended on this program year to date.
(10)	Y-T-D Sub recipient Expenditures	This is the amount expended on sub recipients included in total expended year to date.
(11)	Questionable Costs	This is any questionable cost discovered during this quarters testing.
(12)	Estimated Questionable Costs	This is the estimated total questionable costs for this program.
(13)	Name of Program Administrator	This is the person responsible for ensuring that funds are expended appropriately and that compliance issues are followed.
(14)	Phone number of Program Administrator	This is the phone number of the person in column 13
(15)	E-mail address of Program Administrator	This is the e-mail address of the person in column 13
(16)	Project Definition or Internal Order Group	This is the designation in AASIS that track grant revenue and expenditures.
(17)	Date FSR was filed	This is the date the completed form was submitted to the oversight agency.
(18)	False Claim reported	This is a yes or no answer. Was creditable evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor or other person submitted a false claim under the False Claims Act or committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving ARRA funds reported to the funding agency's inspector general?

Audit Findings

Column No.	Column Title	Instructions
(1)	Finding No.	This is the number your agency is using to track the findings. The first two numbers are the fiscal year (09, 10) - the next two should be the quarter (01,02,03,04) - then the numbers should be sequential starting with 01
(2)	Description of Finding	This is a description of the problem including the root cause of the finding.
(3)	Recommendation	This is Internal Audit's recommendation(s) to correct the root cause of the problem.
(4)	Management's response	This should include Management's Corrective Action
(5)	Implementation date	This is the date the Corrective Action Plan will be implemented.
(6)	Planned testing	This is the date Internal Audit plans to test the Corrective Action Plan.
(7)	Follow up testing	This is the date follow up testing was completed.
(8)	Results	Please indicate the results of the test including the effectiveness of the corrective action plan and/or additional management responses required.

