

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.

American Recovery and Reinvestment Act (ARRA) Agency Compliance

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)

American Recovery and Reinvestment Act (ARRA)
Agency Compliance

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