

Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

November 30, 2006

The Honorable Richard B. Cheney
President
United States Senate
Washington, DC 20510

The Honorable J. Dennis Hastert
Speaker
United States House of Representatives
Washington, DC 20515

Dear Mr. Vice President and Mr. Speaker:

Enclosed is the Inspector General's Semi-Annual Report to the Congress along with the Corporation's Report on Final Action, as required under Section 5 of the Inspector General Act.

These reports cover the six-month period from April 1, 2006 through October 31, 2006. During this period, the Corporation made management decisions on eight audits and completed final action on or closed seven audits. Subsequent to the end of this period, the Corporation made management decisions on two additional audits and completed final action on two more.

We are sending copies of this Semi-Annual Report to interested Congressional committees, the Office of Management and Budget, and the Corporation's Board of Directors. We will also make copies available to others on request.

If you have any questions concerning these reports, please contact me or the Corporation's Assistant Inspector General for Audit, Carol Bates.

Sincerely,



David Eisner
Chief Executive Officer

Enclosures:

Table I

Table II

Table III

Semi-Annual Report to Congress:

April 1, 2006 to September 30, 2006

Distribution List



1201 New York Avenue, NW ★ Washington, DC 20525
202-606-5000 ★ www.nationalservice.org

Senior Corps ★ AmeriCorps ★ Learn and Serve America



TABLE I

**ACTION TAKEN ON AUDIT REPORTS
(for the Period April 1, 2006 through September 30, 2006)**

	<u>Number of Reports</u>	<u>Disallowed Costs (\$000)</u>
A. Audit reports with final action not taken by the commencement of the reporting period.	24	
B. Audit reports issued by the OIG during the period	21	
C. Audit reports for which final action was taken during the reporting period	7	
1. Recoveries ¹		
(a) Collections and offsets	8	\$69.5
(b) Property in lieu of cash		
(c) Other (reduction of questioned costs)		
2. Write-offs ¹	0	
3. Audits with no disallowed costs	0	
D. Audit reports for which final action was not taken by the end of the reporting period. ²	29	
E. <hr style="width: 40%; margin-left: 0;"/> Audit reports for which management decisions were made during or prior to the six-month reporting period and for which final action is underway.	37	

¹ Recoveries and write-offs include audits for which final action was taken in prior reporting periods.

² This includes 21 audits issued this period and those from the previous period for which final action is not overdue.

TABLE II
AUDITS WITH RECOMMENDATIONS TO PUT FUNDS TO BETTER USE
(for the period April 1 to September 30, 2006)

	<u>Number of Audit Reports</u>	<u>Dollar value (\$000s)</u>
A. Audit reports with management decisions on which final action had not been taken at the beginning of the period.	0	0
B. Audits which were issued during the period	11	\$3,001
C. Total audit reports on which management decisions were made during the period.	0	0
D. Audit reports pending action during the period	0	0
E. Audit reports for which final action was taken during the period		
1. Value of recommendations that were completed	11	\$3,001
2. Value of recommendations that management concluded should not or could not be implemented or completed	0	0
3. Total of 1 and 2	11	\$3,001
F. Audit reports for which no management decisions were made during the reporting period	0	0

Funds represent education awards set aside in the Trust that may be disallowed because the individual may not be eligible. Actual amounts will be adjusted when management decisions are final.

TABLE III

**STATUS OF AUDIT REPORTS WITH MANAGEMENT DECISIONS THAT HAD NO FINAL ACTION
WITHIN ONE YEAR OF THE ISSUANCE OF THE REPORT
(As of September 30, 2006)**

<u>Audit Number</u>	<u>Date Issued</u>	<u>Title</u>	<u>Disallowed Costs</u>	<u>Status of Action/Reason No Final Action Was Taken</u>
05-17	07/07/05	Audit of Louisiana Serve Commission ¹		Subsequent to the reporting period, the Corporation completed final action.
05-18	09/02/05	Agreed Upon Procedures of Wyoming Commission for National and Community Service		Subsequent to the reporting period, the Corporation completed final action.

¹ The Corporation extended the resolution period due to disruption caused by the 2005 hurricanes.