Office of Inspector General
Corporation for National and Community Service

AMERICORPS COMPILATION OF FINDINGS, REPORTS ISSUED APRIL 1, 2005 THROUGH DECEMBER 31, 2007

OIG REPORT 09-05

Corporation for **NATIONAL & COMMUNITY SERVICE** ★★★

This report was issued to Corporation management on October 10, 2008. The Corporation's response to the draft report agreed with the recommendations 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 October 13, 2009. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

OFFICE OF INSPECTOR GENERAL

October 10, 2008

TO: Kristin McSwain, Acting Chief Operating Officer

FROM: Stuart Axenfeld */s/*
                 Assistant Inspector General for Audit

SUBJECT: Office of Inspector General Report 09-05, *AmeriCorps Compilation of Findings, Reports Issued April 1, 2005 Through December 31, 2007*

Attached is the final report on the *AmeriCorps Compilation of Findings, Reports Issued April 1, 2005 Through December 31, 2007*.

Under the Corporation's audit resolution policy, the notice of final action is due by October 13, 2009.

If you have any questions pertaining to the final report, please contact Thomas Chin, at (202) 606-9362, T.Chin@cncsoig.gov; or me, at (202) 606-9360, S.Axenfeld@cncsoig.gov.

Attachment

cc: William Anderson, Acting Chief Financial Officer
       Rocco Gaudio, Deputy Chief Financial Officer,
          Grants and Field Financial Management Center
       Margaret Rosenberry, Director, Office of Grants Management
       Sherry Blue, Audit Resolution Coordinator

AmeriCorps Compilation of Findings,
Reports Issued April 1, 2005 Through December 31, 2007

Table of Contents

Appendices:

A: Detailed Methodology

B: Major Categories and Subcategories of Questioned Costs and Findings

C: Exception Error Rates – Benchmark for Future Analysis

D: Corporation Response

i

Executive Summary

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), compiled and analyzed the questioned costs and findings from the 43 audit and agreed-upon procedures reports issued by the OIG Audit Section during the period of April 1, 2005, through December 31, 2007. Of the total $288 million in Federal funds covered in these audits and agreed-upon procedures, OIG auditors questioned approximately $8 million of Federal share, $18.5 million of match, and $3.7 million of education awards. Some reports did not include questioned match. In some of our reports, match issues are identified. Costs were not questioned because grantees had more than sufficient match to replace the questioned match in the remaining time in the grant period.

The objective of this compilation was to summarize for Corporation management the findings from our AmeriCorps audits and agreed-upon procedures of Corporation grants made to State Commissions and National Direct grantees. Through this compilation, we identified trends and patterns among the questioned costs and findings which related to compliance and internal controls. We classified questioned costs, as well as compliance and internal control findings, by major categories and subcategories to assist the Corporation in clarifying regulations, provisions, and policies.

Our analysis of audit and agreed-upon procedures reports noted a significant number of findings and questioned costs for staff timekeeping, member service hours, and match. Auditors questioned a total of $2.7 million (including member living allowances and education awards) and issued 142 findings related to service hours and staff timekeeping issues. To address these issues, we recommend the Corporation place greater emphasis on ensuring staff time and member service hours are recorded as required by Office of Management and Budget (OMB) Circulars and grant requirements, respectively. The Corporation in its response (Appendix D) to a draft of this report concurs with our recommendations. The Corporation's response met the intent of the recommendations.

Background

The Corporation provides opportunities for citizens of all ages and backgrounds to serve in their communities to address unmet needs. In carrying out its mission, the Corporation makes grants, such as those for AmeriCorps programs, to organizations that develop and implement programs to provide such opportunities. The Corporation awards AmeriCorps funding to State Commissions, which in turn make grants to local nonprofit organizations and other agencies, and to national nonprofit organizations that operate programs in more than one state (National Direct). Citizens enroll in AmeriCorps programs as members 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). Upon successful completion of members' terms of service, they receive an education award to help finance their higher education or to pay off existing student loans.

The OIG is responsible for detecting and preventing fraud, waste, and abuse of taxpayer dollars invested in Corporation programs. In support of these efforts, the OIG issued 43 audits or agreed-upon procedures of State Commissions and National Direct grantees during the period of April 1, 2005, through December 31, 2007. These reports included

27 audits of State Commissions and 16 audits of National Direct grantees. Refer to the Table A-1 in Appendix A for the list of AmeriCorps audit and agreed-upon procedures reports issued by OIG between April 1, 2005 and December 31, 2007.

Prior to this analysis, the OIG had compiled and analyzed overall questioned costs and findings from the completed incurred-cost audits of State Commission and National Direct grantees. We considered previous efforts to compile and analyze audit information by reviewing categories and subcategories utilized in the OIG Report 05-01E, *Compilation and Analysis of Incurred-Cost Audit Findings*, which was issued on July 15, 2005. This previous compilation report covered AmeriCorps audit reports issued during the period of October 1, 2001 (from the beginning of the State Commission effort) through March 31, 2005. We also reviewed analysis and conclusions that were included in OIG Report 05-01E. OIG Report 05-01E included issues with inadequate financial controls and accounting systems, as well as non-compliance in member eligibility records.

Objective, Purpose, and Scope

The objective of this compilation is to summarize the findings from our AmeriCorps audits and agreed-upon procedures of Corporation grants made to State Commissions and National Direct grantees during the period of April 1, 2005, through December 31, 2007. This compilation report was used to identify any significant trends and patterns among the questioned costs and findings which related to compliance and internal controls, and provide recommendations to the Corporation management. We classified questioned costs as well as compliance and internal control findings, by major categories and subcategories.

As part of our compilation, we considered all categories that have been used to report on patterns from prior compilations of OIG audit findings and categories identified in Federal requirements, such as those governing grants administration and cost principles promulgated by the Office of Management and Budget. Also, we developed a series of spreadsheets to compile, summarize, and record questioned costs and findings to facilitate ongoing retrieval, analysis, and reporting. We analyzed patterns of questioned costs and findings by audit reports, categories, and subcategories. Significant patterns are presented and explained with table and chart illustrations to support our conclusions and recommendations. In addition, where possible, findings were identified by subgrantees. A detail of our methodology for this compilation is presented in Appendix A. Listings of categories and subcategories of questioned costs and findings are included in Appendix B.

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

Summary of Questioned Costs

Of the total $288 million that grantees and subgrantees claimed under their respective AmeriCorps grant awards included in this compilation, auditors questioned Federal share of $7,975,489, match of $18,508,481, and education awards of $3,653,757. Refer to Table 1 for a breakdown of questioned costs by report, and Chart 1 by category.

Table 1: Claimed Costs & Questioned Costs by Audit/Agreed-Upon Procedures Report

Report Number	Total Federal Funds Covered/Claimed Costs ($)	Total Questioned - Federal Share ($)	Total Questioned - Match ($)	Total Questioned - Member Education Award ($)
05-10	3,336,952	51,701	-	45,919
05-15	2,984,535	60,450	17,875	-
05-17	5,679,673	73,827	347,058	27,526
05-18	638,162	171,565	45,303	14,478
05-19	599,795	8,228	7,562	40,163
05-20	4,994,479	34,729	-	49,613
05-21	4,242,581	13,775	-	16,139
05-22	124,350	62,598	-	31,500
05-24	72,023,330	1,041,476	8,694,506	414,260
06-04	339,192	11,416	2,161	18,900
06-05	1,512,093	152,680	309,372	64,115
06-10	10,367,709	266,950	6,254,305	987,969
06-12	5,266,112	100,600	-	2,195
06-14	34,453,824	289,560	605,378	307,125
06-16	7,058,989	9,971	-	-
06-17	950,017	609	-	-
06-18	1,011,429	31	-	-
06-19	4,346,389	-	-	-
06-20	427,742	-	-	-
06-21	3,786,482	-	-	4,725
06-22	661,760	1,326	-	-
06-23	10,148,130	23,606	-	14,490
06-25	16,263,960	134,130	874,707	618,299
06-26	3,453,178	102,274	-	38,937
06-27	3,788,137	-	-	-
06-28	6,621,005	31,379	17,557	-
06-30	4,514,097	22,661	1,636	9,310
06-33	3,848,152	4,703	372,686	-
06-36	1,502,426	17,910	-	-
06-37	1,962,389	9,507	-	4,795
07-04	2,120,532	98,966	-	-
07-05	5,759,190	461,086	195,327	162,260
07-07	11,992,968	441,639	125,945	65,929
07-08	4,546,121	72,518	-	73,325
07-10	465,897	19,960	-	29,275
07-13	#	-	-	138,496
07-14	11,452,153	36,311	13,691	27,033
07-15	3,734,205	18,401	8,821	14,153
07-18	16,974,154	3,495,062	30,425	28,355
07-20	3,912,907	18,458	23,485	4,725
07-21	5,363,221	502,774	560,681	249,226
08-04	253,600	41,984	-	98,409
08-08	4,623,207	70,668	-	52,113
Total ($)	**288,105,224**	**7,975,489**	**18,508,481**	**3,653,757**

#: Agreed-upon procedures report did not disclose total covered amount. Due to an inadequate accounting system of the auditee, our scope of the agreed-upon procedures report was limited to member testing.

Chart 1: Questioned Costs by Category

Chart 1: Questioned Costs by Category

E. Member Education Award, $3,653,757

A. Budget and Reporting, $3,995,131

B. Match, $18,508,481

C. Unallowable Costs, $2,657,424

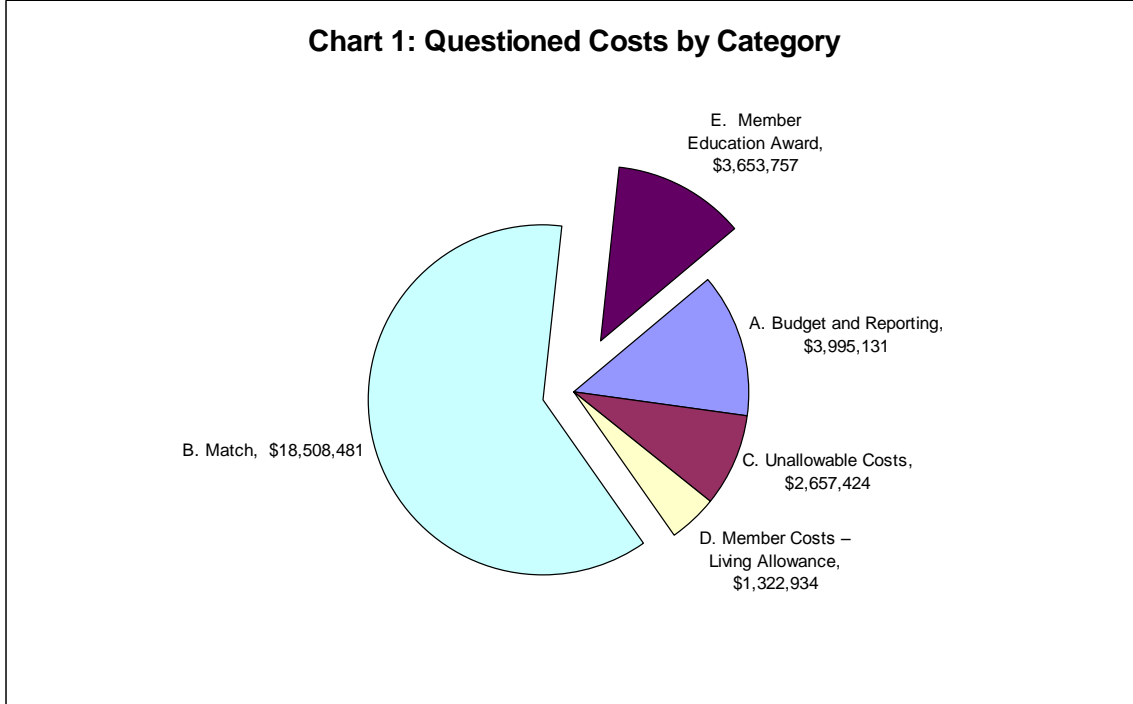D. Member Costs – Living Allowance, $1,322,934

Table 2 below shows the total of questioned costs by category for each audit/agreed-upon procedures report we reviewed.

Table 2: Questioned Costs by Category and Audit/Agreed-Upon Procedures Report

Report Number	Questioned Federal Share			B. Match ($)	E. Member Education Award ($)
	A. Budget & Reporting ($)	C. Unallowable Costs ($)	D. Member Costs - Living Allowance ($)		
05-10	(68,830)	88,021	32,510	-	45,919
05-15	59,399	1,051	-	17,875	-
05-17	16,042	32,562	25,223	347,058	27,526
05-18	(6,086)	177,651	-	45,303	14,478
05-19	(7,384)	3,550	12,062	7,562	40,163
05-20	(20,167)	18,822	36,074	-	49,613
05-21	915	3,479	9,381	-	16,139
05-22	(66)	53,360	9,304	-	31,500
05-24	57,908	762,274	221,294	8,694,506	414,260
06-04	-	11,416	-	2,161	18,900

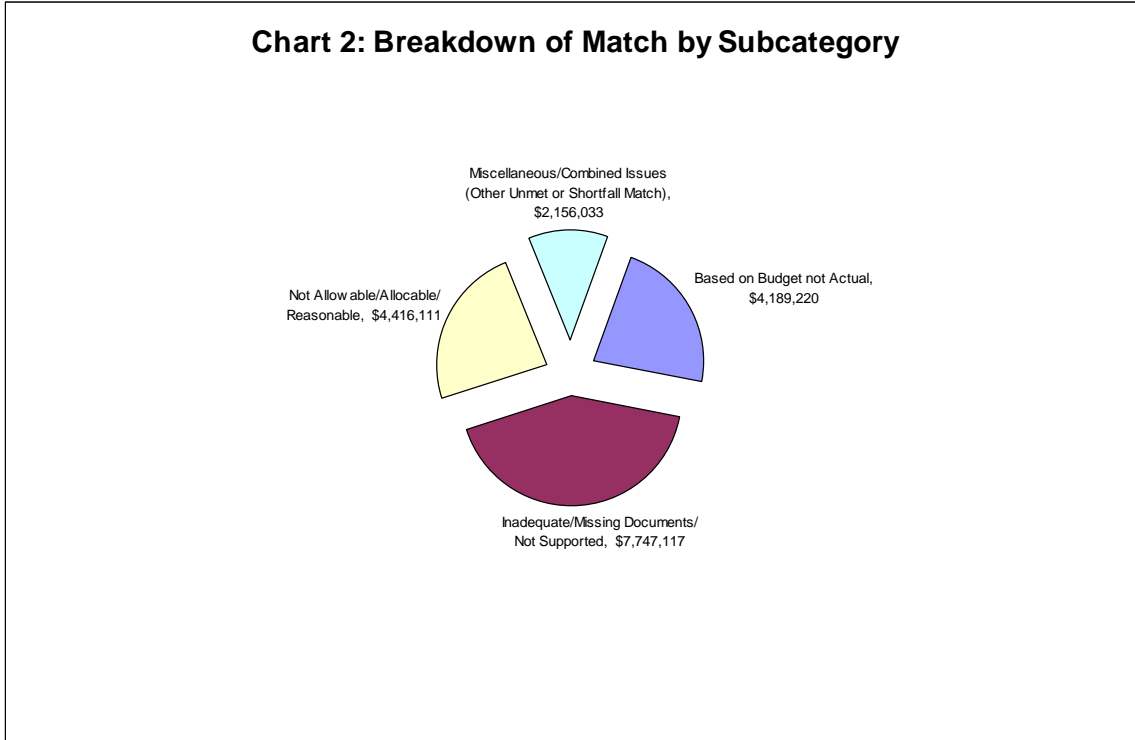| Report Number	Questioned Federal Share			B. Match ($)	E. Member Education Award ($)
	A. Budget & Reporting ($)	C. Unallowable Costs ($)	D. Member Costs - Living Allowance ($)		
06-05	29,861	59,181	63,638	309,372	64,115
06-10	-	190,390	76,560	6,254,305	987,969
06-12	87,250	10,377	2,973	-	2,195
06-14	-	148,241	141,319	605,378	307,125
06-16	6,614	3,357	-	-	-
06-17	-	609	-	-	-
06-18	-	31	-	-	-
06-19	-	-	-	-	-
06-20	-	-	-	-	-
06-21	-	-	-	-	4,725
06-22	1,326	-	-	-	-
06-23	169	1,799	21,638	-	14,490
06-25	108,555	15,325	10,250	874,707	618,299
06-26	59,996	2,563	39,715	-	38,937
06-27	-	-	-	-	-
06-28	-	2,792	28,587	17,557	-
06-30	3,359	382	18,920	1,636	9,310
06-33	83	2,661	1,959	372,686	-
06-36	11,079	1,536	5,295	-	-
06-37	2,962	5,050	1,495	-	4,795
07-04	41,621	10,117	47,228	-	-
07-05	-	154,439	306,647	195,327	162,260
07-07	36,459	361,969	43,211	125,945	65,929
07-08	-	696	71,822	-	73,325
07-10	4,569	15,391	-	-	29,275
07-13	-	-	-	-	138,496
07-14	-	16,463	19,848	13,691	27,033
07-15	-	100	18,301	8,821	14,153
07-18	3,482,245	10,144	2,673	30,425	28,355
07-20	1,966	-	16,492	23,485	4,725
07-21	16,465	463,325	22,984	560,681	249,226
08-04	41,984	-	-	-	98,409
08-08	26,837	28,300	15,531	-	52,113
Total ($)	3,995,131	2,657,424	1,322,934	18,508,481	3,653,757

Table 3 below shows questioned costs by subcategory. The largest questioned cost was for issues related to inadequate or missing documents for match ($7,747,117). It is followed by issues related to match that were not allowed/allocable/reasonable, as well as match based on budget but not actual amounts. Total questioned match is $3,559,670, which excluded the two significant questioned match amounts as identified from OIG Reports 05-24 and 06-10. For the breakdown of the questioned match by subcategory, refer to Chart 2 for details.

Table 3: Amount of Questioned Costs by Subcategory

Category	Subcategory	Questioned Costs ($)
A. Budget and Reporting	1. Difference between Financial Status Report (FSR) and General Ledger/Support	3,542,253
	2. Drawdowns	41,984
	3. Duplicative Costs	137,941
	4. Costs Claimed in Excess of Costs Incurred/Ceiling	77,735
	5. Deviation from Budget/Cost Not in Budget/Budget Changes Without Prior Approval	57,775
	6. FSR Adjustment/Reporting Error	(26,591)
	7. Accounting/Clerical Error	46,933
	8. Not Applicable to Grant/Charged to Other or Prior Grant	66,524
	9. Paid Outside Grant Service/Period	17,280
	10. Miscellaneous/Combined Issues	33,297
B. Match	1. Based on Budget not Actual	4,189,220
	2. Inadequate/Missing Documents/Not Supported	7,747,117
	3. Not Allowable/Allocable/Reasonable	4,416,111
	4. Miscellaneous/Combined Issues (Other Unmet or Shortfall Match)	2,156,033
C. Unallowable Costs	1. Staffing/Payroll	810,826
	2. Cost Principles	113,588
	3. Not Allocable/Misallocated/ Reclassification	362,762
	4. Inadequate/Missing Documents/Not Supported	1,014,503
	5. Inadequate Evidence of Member Service (Service Hours/Member Status)	50,863
	6. Miscellaneous/Combined Issues	304,882
D. Member Costs – Living Allowance	1. Member Eligibility	623,706
	2. Member Service Hours	215,086
	3. Member Status	72,641
	4. Overclaimed/Overpaid	177,451
	5. Excess Federal Maximum Share/Ceiling	113,594
	6. Inadequate/Missing Documents	40,756
	7. Miscellaneous/Combined Issues	79,700
E. Member Education Award	1. Member Eligibility	701,871
	2. Member Service Hours	1,671,156
	3. Member Status	210,481
	4. Compelling Personal Circumstances	125,426
	5. Inadequate/Missing Documents	942,230
	6. Miscellaneous/Combined Issues	2,593

Also refer to Appendix B for further descriptions of certain subcategories as mentioned above in Table 3.

Chart 2: Breakdown of Match by Subcategory

Chart 2: Breakdown of Match by Subcategory

- Miscellaneous/Combined Issues (Other Unmet or Shortfall Match), $2,156,033
- Not Allowable/Allocable/ Reasonable, $4,416,111
- Based on Budget not Actual, $4,189,220
- Inadequate/Missing Documents/ Not Supported, $7,747,117

As shown in Table 3, other subcategories with significant questioned costs include variances between FSR and general ledger/support; member eligibility (citizenship or education); issues related to member service hours including improper timesheets and insufficient service hours to earn award. Questioned costs for member background check issues are not included in this report because beginning with OIG Report 06-27, the OIG changed the treatment of this issue from questioned cost to a compliance issue.

In addition, we noted questioned costs for inadequate support or missing documents, as shown from the Table 3 above. These documentation issues represent a total of $9,744,606 questioned. We noted that the majority of these costs, or $7,326,008, came from OIG Reports 05-24 and 06-10.

Summary of Compliance and Internal Control Findings

Table 4 below shows the number of findings by category for each audit/agreed-upon procedures report. We noted a total of 741 findings with associated recommendations. Out of that total, 407 findings related to member compliance, eligibility, and reporting. Of the member compliance, eligibility, and reporting findings, 93 findings were specific to member timekeeping.

Table 4: Findings by Category and Audit/Agreed-Upon Procedures Report

Report Number	Financial Management	Subgrantee Monitoring	Financial Reporting	Grant Compliance Matching	Grant Compliance Other	Member Compliance, Eligibility, and Reporting	Total
05-10	2	2	1	0	8	15	28
05-15	2	0	0	1	2	9	14
05-17	2	2	1	4	7	14	30
05-18	1	0	0	1	5	4	11
05-19	3	0	2	3	6	14	28
05-20	3	1	6	2	6	13	31
05-21	3	2	2	2	8	18	35
05-22	0	0	0	2	4	10	16
05-24	0	0	3	3	4	14	24
06-04	0	0	0	1	2	2	5
06-05	2	0	2	4	4	14	26
06-10	1	1	5	3	3	14	27
06-12	2	0	0	0	2	2	6
06-14	1	0	1	0	3	13	18
06-16	0	0	2	0	3	7	12
06-17	0	0	2	0	3	7	12
06-18	0	0	2	0	3	7	12
06-19	0	0	2	0	3	7	12
06-20	0	0	2	0	3	7	12
06-21	0	0	2	0	3	7	12
06-22	0	0	2	0	3	7	12
06-23	3	0	0	0	1	11	15
06-25	0	1	2	2	2	10	17
06-26	2	2	1	2	4	15	26
06-27	0	0	1	0	0	2	3
06-28	1	1	0	0	3	13	18
06-30	0	0	0	2	2	5	9
06-33	1	0	3	2	3	2	11
06-36	1	2	1	4	3	10	21
06-37	3	1	2	2	6	13	27
07-04	1	0	1	3	3	10	18
07-05	1	0	3	2	3	6	15
07-07	0	0	1	2	4	10	17
07-08	1	0	1	0	2	14	18
07-10	1	1	3	0	2	3	10
07-13	0	0	0	0	0	15	15
07-14	0	0	2	2	2	3	9
07-15	0	1	1	2	3	7	14
07-18	0	0	3	3	4	14	24
07-20	1	0	3	2	4	6	16
07-21	3	0	2	2	2	8	17
08-04	0	0	1	0	0	8	9
08-08	1	1	3	2	5	17	29
Total	**42**	**18**	**71**	**60**	**143**	**407**	**741**

Table 5 below shows the total number of findings by subcategory. Timekeeping categories combined for the largest number of findings, with a total of 142 findings related to timekeeping issues for program staff (49 findings), and members (93 findings). Other issues related to member compliance, eligibility, and reporting include member eligibility (citizenship, background checks, education documentation requirements, etc.) that were not adequately performed/documented (73 findings); late, missing, or inadequate membership forms (59 findings); missing or inadequate evaluations (50

findings); and missing or inadequate member contracts (50 findings). Refer to Chart 3 and Chart 4 for a breakdown in findings for (staff and members) timekeeping issues.
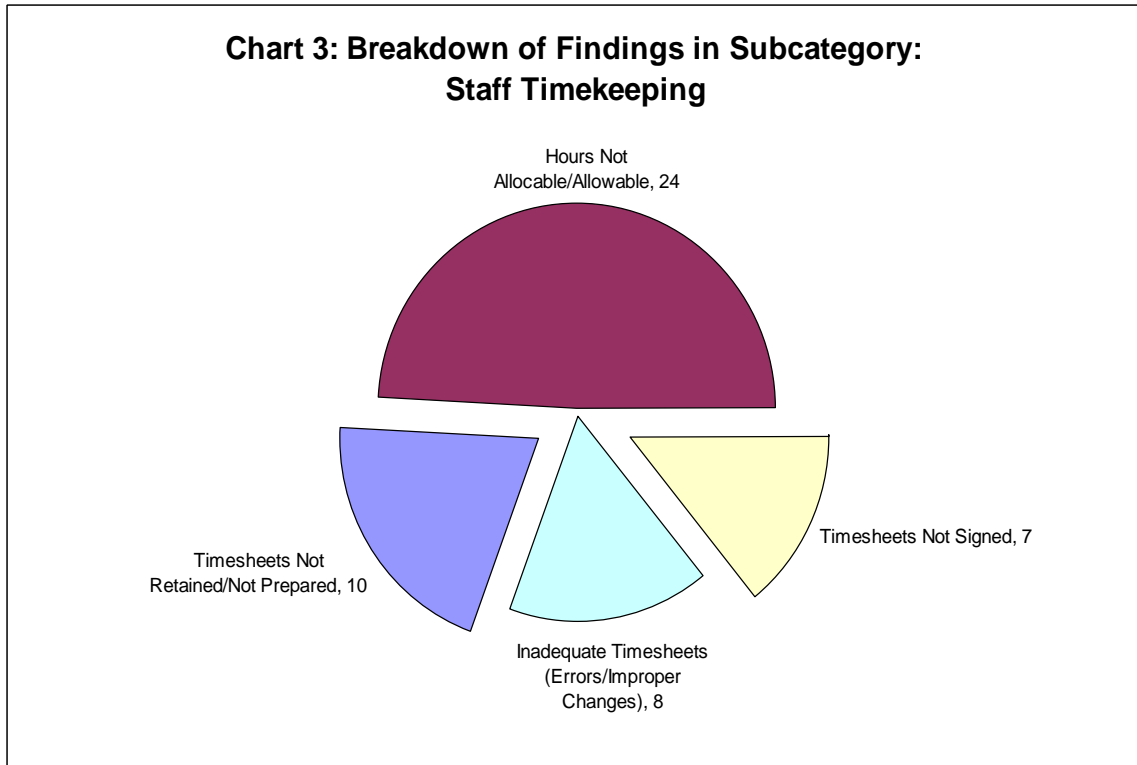
Table 5: Number of Findings by Subcategory

Category	Subcategory	Number of Findings
A. Financial Management	1. Inadequate Financial Management System	17
	2. Weakness in Internal Controls/Segregation of Duties	12
	3. Inadequate/Lack of Formal Policies	11
	4. Miscellaneous/Combined Issues	2
B. Subgrantee Monitoring	1. Single Audit Report Inadequately Reviewed	7
	2. Site Monitoring Not Performed/Inadequate Documented	8
	3. Past Performance Not Documented	1
	4. Deficiencies Noted from Audits/Monitoring Compliance Not Followed Up	2
	5. Miscellaneous/Combined Issues	0
C. Financial Reporting	1. Financial Document Retention	12
	2. Financial Status Report	51
	3. Accounting Errors	4
	4. Drawdowns	3
	5. Miscellaneous/Combined Issues	1
D. Grant Compliance - Matching	1. Cost Principles and Costs Allowable/Allocable/Reasonable	26
	2. Not Supported by Documentation	21
	3. Inadequate Financial Management System	6
	4. Accounting Errors	7
	5. Miscellaneous/Combined Issues	0
E. Grant Compliance - Other	1. Cost Principles and Costs Allowable/Allocable/Reasonable	37
	2. Not Supported by Documentation	32
	3. Staff Timekeeping	49
	4. Progress Report	20
	5. Other Non-Compliance in Grant Provisions/Laws & Regulations	5
	6. Miscellaneous/Combined Issues	0
F. Member Compliance, Eligibility, and Reporting	1. Living Allowance/Benefit Expenses Not Paid Correctly	24
	2. Cost Principles and Costs Allowable/Allocable/Reasonable	7
	3. Member Eligibility Not Performed/Untimely Performed/Inadequate Eligibility Records	73
	4. Membership Forms (Enrollment, Exit, Change-of-Status)	59
	5. Evaluations (Mid-Term & Final)	50
	6. Member Timekeeping	93
	7. Orientation Documents (Agenda/Sign-in Sheet)	16
	8. Contract	50
	9. Compelling Personal Circumstances Provisions Non-Compliance/Not Documented	13
	10. Insurance/Benefits Not Provided/Not Approved	14
	11. Other Non-Compliance in Grant Provisions/Laws & Regulations	6
	12. Miscellaneous/Combined Issues	2

Also refer to Appendix B for further descriptions of certain subcategories as mentioned above in Table 5.
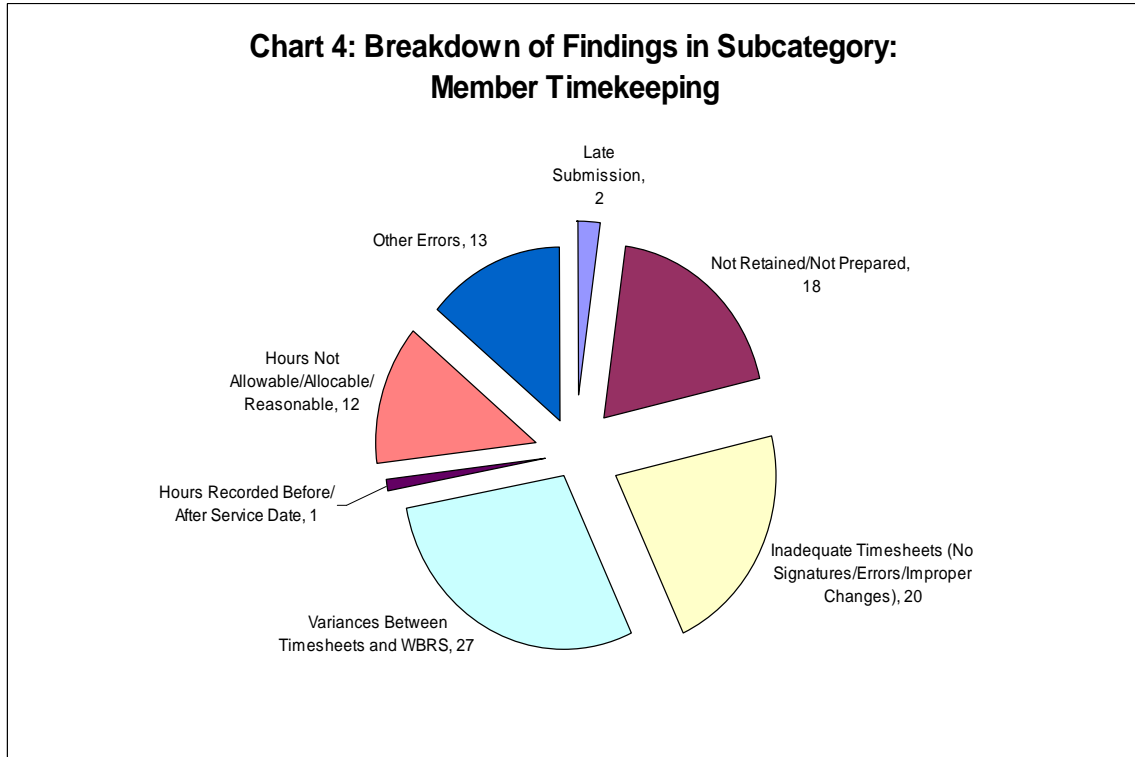
From the Table 5 above, we also noted 51 findings on FSR reporting. While most FSR findings were for untimely submissions (30 findings), we also noted FSR reporting errors (17 findings, including 9 findings of the FSR not reconciled to financial management system/support)[1].

Chart 3: Breakdown of Findings in Subcategory: Staff Timekeeping

Chart 3: Breakdown of Findings in Subcategory: Staff Timekeeping

Hours Not Allocable/Allowable, 24

Timesheets Not Signed, 7

Timesheets Not Retained/Not Prepared, 10

Inadequate Timesheets (Errors/Improper Changes), 8

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[1] Another trend that occurred were grantee changes to FSRs took place when the OIG audit work began. It appears that, in these cases, attention is not given to the accuracy of FSR unless/until an audit is announced. Such changed FSRs were found at Maryland Governor's Office on Service and Volunteerism, District of Columbia Commission on Volunteerism and Community Service, YouthBuild USA, Inc., Illinois Commission on Volunteerism and Community Service, OneStar (Texas) National Service Commission, Inc., and another grantee (report not finalized).

Chart 4: Breakdown of Findings in Subcategory: Member Timekeeping

Chart 4: Breakdown of Findings in Subcategory: Member Timekeeping

Late Submission, 2

Other Errors, 13

Not Retained/Not Prepared, 18

Hours Not Allowable/Allocable/Reasonable, 12

Hours Recorded Before/After Service Date, 1

Inadequate Timesheets (No Signatures/Errors/Improper Changes), 20

Variances Between Timesheets and WBRS, 27

In addition to the staff and member timekeeping issue as mentioned above, we also noted findings for inadequate support or a variety of weaknesses in documentation (incomplete documentation, document retention, etc.). Some of these documentation issues were noted and included in various subcategories (member eligibility records, membership forms, evaluations, timesheets, contracts, and orientation documents) under the findings categories: member compliance, eligibility, and reporting. We extracted portions from the above Table 5, which shows the remaining documentation issues. Refer to the below Table 6 for details.

Table 6: Breakdown of Findings in Documentation-Related Issues (Except Category: Member Compliance, Eligibility, and Reporting)

Category	Subcategory	Number of Findings
Subgrantee Monitoring	o Site Monitoring Not Performed/Inadequate Documented o Past Performance Not Documented	8 1
Financial Reporting	o Financial Document Retention o FSR Not Supported by Documentation	12 2
Grant Compliance – Matching	o Not Supported by Documentation	21
Grant Compliance – Other	o Not Supported by Documentation	32

Conclusions and Recommendations

It is important for AmeriCorps grantees to follow all grant requirements. This report includes three recommendations that address the most common findings which include staff timekeeping, member timekeeping, and match documentation.

1. Member/Program Staff Service Hours and Timekeeping

Conclusion: We noted findings and questioned costs for member service hours and timekeeping issues for members and program staff. There were numerous instances where members received education awards even though they had not served the required number of hours. Reports also include various types of timekeeping issues for both members and program staff, including: timesheets not prepared, incomplete timesheets, timesheets not reviewed and approved, improper alteration on timesheets, improper reporting/inflating service hours or hours worked, hours not allocable, or variances between timesheets and Web-Based Reporting System (WBRS) records (AmeriCorps members only). In some cases, these timekeeping deficiencies resulted in miscalculation of member service hours, which led to the discovery of insufficient service hours for some members. We questioned approximately $2.7 million ($.8 million for program staff hours; $.2 million for member service hours, living allowances; and $1.7 million for member service hours, education awards).

Recommendation: We recommend the Corporation place greater emphasis on requiring grantees and subgrantees to follow the OMB Circulars, regulations, and grant provisions regarding member service hours and staff timekeeping. The Corporation should strengthen its grantees and subgrantees monitoring to ensure education awards/living allowances are only provided to members who have achieved sufficient service hours. Also, the Corporation should ensure grantees and subgrantees have effective systems and procedures to track, review, and maintain service hours recorded by members before the member is certified for an education award. As part of this effort, the Corporation should test member service hours certified against source records (timesheets) on file at grantees and/or subgrantees for overall accuracy, reasonableness, and completeness, and that members are eligible to receive education awards. In addition, we recommend the Corporation provide training to grantees and subgrantees on timekeeping and service hour requirements.

2. Member Eligibility and Records

Conclusion: We noted instances in which grantees and/or subgrantees did not comply with grant award conditions regarding member eligibility and records. The most frequent incidents of noncompliance involved untimely performance of member eligibility requirements and missing or incomplete eligibility records for AmeriCorps members, especially those that document the individual member's citizenship status, criminal background checks, and education (high school diploma or its equivalent). Also, we noted various deficiencies in required membership forms, member contracts, evaluations, and orientation documents. These weaknesses include missing or incomplete documents, preparation of documents not performed, lack of signatures, improper changes on documents, or data errors noted on documents. As a result, the auditors questioned approximately $1.3 million ($.6 million questioned for living allowances and $.7 million questioned for education awards), or 248 findings related to member eligibility and records over the period we reviewed.

Recommendation: We recommend the Corporation continue to strengthen its systems and procedures for monitoring member eligibility and records. As part of this effort, the Corporation should test member eligibility data maintained and reports generated from its automated systems against source records on file at grantees and/or subgrantees for overall accuracy and completeness. In addition, this evaluation should assess both the level of Corporation and grantee oversight and monitoring procedures on member records and the accuracy and completeness of these records. We also recommend the Corporation provide additional training to grantees regarding member eligibility and records.

3. Documentation Maintenance and Support for Match

Conclusion: Auditors were unable to determine the allowable, allocable, or reasonableness of $7.7 million of claimed match costs.

Recommendation: We recommend the Corporation continue to strengthen the adequacy and effectiveness of its grantees' and subgrantees' systems and procedures in place to properly record and maintain documents to support claimed match costs. As part of this effort, the Corporation should continue to provide training, technical guidance, and best practices in document retention. Also, we recommend the Corporation continue to place greater emphasis on document retention and to monitor its grantees and subgrantees on their practices in obtaining and maintaining documentation.

A major cause for some of the unsupported costs included in multiple areas of OIG audit reports is the allowance given to grantees after a final audit report is issued of the further opportunity to provide documentation which should have been supplied, if it exists, within the sufficient time allotted during the audit timetable.

Given that notice of problems uncovered in the audit are disclosed to the grantee as discovered during the audit and all problems are enumerated during the exit conference, the grantee has more than sufficient time before the final audit report is issued to provide source documentation, complete voids found in its files, and otherwise provide information to respond to the problems disclosed.

We recommend that the Corporation require grantees to provide prompt responses to all auditors' requests during an ongoing audit.

Exit Conference

We conducted an exit conference with Corporation management on August 12, 2008, and discussed the results of this report. Based on discussion at the exit conference, we included a table at Appendix C as a benchmark for comparison with future compilation reports.

Corporation Response

The Corporation concurred with all of our recommendations, confirmed the Corporation's own analysis of findings, and said it would take the following actions:

- Conduct an AmeriCorps grantee meeting to provide training on financial management and compliance for grantee program and financial staff members.
- Present common audit findings and emphasize the importance of subgrantee monitoring to all Commissions at the Commission Executive Director's meeting.
- Implement the "My AmeriCorps Portal" by late January 2009. This site will be used to monitor member enrollments and exits.
- Develop webinars through a technical assistance provider that will address match documentation, recordkeeping, and timekeeping issues.

While the Corporation concurred with all of our recommendations, it stated that there is no basis to conclude that documentation is not available during the audit due to the Corporation's allowance for grantees to submit documentation late. Also, the Corporation explained that some subgrantees did not have sufficient time to retrieve stored documents from prior completed program years. The Corporation stated that it has taken corrective actions to ensure all documentation is readily available during audits.

OIG Comment

The Corporation's planned actions satisfy the intent of our recommendations.

In response to the Corporation's comment that there is no basis to conclude that documentation is not available during the audit due to the Corporation's allowance for grantees to submit documentation late. We do not believe we mischaracterized the issue. In the draft report, we stated that "a major cause for <u>some</u> of the unsupported costs included in multiple areas of OIG audit reports is the allowance given to grantees, after a final audit report is issued, of the further opportunity to provide documentation" (emphasis added). We did not conclude the cause for all documentation maintenance issues was due to allowance given to grantees to provide documentation after the issuance of final audit report, but we did observe the cause in several audits.

Regarding Corporation's suggestion to identify specific remedies to address other issues, it was OIG's plan to focus only on major findings with high occurrence rates. Based on our analysis, we identified three major areas: member/program staff service hours and timekeeping, member eligibility and records, documentation maintenance and support for match.

This report is intended for the information and use of the OIG, Corporation management, and the U.S. Congress. However, this report is a matter of public record and its distribution is not limited.

Stuart Axenfeld */s/*
Assistant Inspector General for Audit
October 10, 2008

Appendix A: Detailed Methodology

The OIG reviewed the listing of reports issued and identified all AmeriCorps-related audit or agreed-upon procedures reports, issued during the period April 1, 2005 to December 31, 2007. As shown in the Table A-1 below, OIG issued a total of 43 audit and agreed-upon procedures reports within the scope of this compilation. These reports covered Corporation grants awarded to 27 State Commissions and 16 National Direct grantees.

Table A-1: List of AmeriCorps Related Reports Issued by OIG (4/1/2005 to 12/31/2007)

Report Number	Report Title	Report Type	Grant Type
05-10	Audit of the Corporation for National and Community Service Grants Awarded to the Nevada Commission on National and Community Service	Audit	SC
05-15	Audit of Corporation for National and Community Service Grants Awarded to the Nebraska Volunteer Service Commission	Audit	SC
05-17	Audit of Corporation for National and Community Service Grants Awarded to the Louisiana Serve Commission	Audit	SC
05-18	Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to the Wyoming Commission for National and Community Service	AUP	SC
05-19	Audit of Corporation for National and Community Service Grants Awarded to the Notre Dame Mission Volunteers Program Through the Maryland Governor's Office on Service and Volunteerism	Audit	SC
05-20	Audit of Corporation for National and Community Service Grants Awarded to the Notre Dame Mission Volunteers Program	Audit	ND
05-21	Audit of Corporation for National and Community Service Grants Awarded to the Iowa Commission on Volunteer Service	Audit	SC
05-22	Agreed-Upon Procedures Review of Corporation for National and Community Service Grant Awarded to the Haddock AmeriCorps Cadet Program by the Georgia Commission for Service and Volunteerism	AUP	SC
05-24	Audit of Corporation for National and Community Service Grants Awarded to the Governor's Office on Service and Volunteerism (GO SERV)	Audit	SC
06-04	Agreed-Upon Procedures Review of Corporation for National and Community Service Grant Awarded to the Comprehensive Links for After School Enrichment by the Puerto Rico State Commission on Community Service and Social Action	AUP	SC
06-05	Audit of Corporation for National and Community Service Grants Awarded to the Puerto Rico State Commission on Community Service and Social Action Subgrantees	Audit	SC
06-10	Audit of Corporation for National and Community Service Grants Awarded to YouthBuild USA, Inc.	Audit	ND

Report Number	Report Title	Report Type	Grant Type
06-12	Audit of Corporation for National and Community Service Grants Awarded to EducationWorks	Audit	ND
06-14	Audit of Corporation for National and Community Service Grants Awarded to New York State Office of National and Community Service	Audit	SC
06-16	Audit of Grants Awarded to City Year, Inc.	Audit	ND
06-17	Audit of Subgrants to City Year, Inc. Through the Massachusetts Service Alliance	Audit	ND
06-18	Audit of Subgrants to City Year, Inc. through the State of Michigan Department of Career Development	Audit	ND
06-19	Audit of Subgrants to City Year, Inc. Through the Illinois Commission on Volunteerism & Community Service	Audit	ND
06-20	Audit of Subgrants to City Year, Inc. Through the District of Columbia Commission on Volunteerism and Community Service (SERVE DC)	Audit	ND
06-21	Audit of Subgrants to City Year, Inc. Through PennSERVE, the Governor's Office of Citizen Service	Audit	ND
06-22	Audit of Subgrants to City Year, Inc. Through the Texas Commission on Volunteerism & Community Service	Audit	ND
06-23	Audit of Corporation for National and Community Service Grants Awarded to the Massachusetts Service Alliance	Audit	SC
06-25	Audit of Corporation for National and Community Service Grants Awarded to the Illinois Commission on Volunteerism and Community Service	Audit	SC
06-26	Audit of Corporation for National and Community Service Grants Awarded to the New Mexico Commission for Community Volunteerism	Audit	SC
06-27	Audit of Corporation for National and Community Service Grants Awarded to Virginia Governor's Commission on National and Community Service	Audit	SC
06-28	Audit of Corporation for National and Community Service Grants Awarded to Habitat for Humanity International	Audit	ND
06-30	Audit of Grants Awarded to the Tennessee Commission on National and Community Service	Audit	SC
06-33	Audit of Corporation for National and Community Service Grants Awarded to the Oklahoma Community Service Commission	Audit	SC
06-36	Audit of Corporation for National and Community Service Grants Awarded to Serve Idaho, Governor's Commission on Service and Volunteerism	Audit	SC
06-37	Audit of Corporation for National and Community Service Grants Awarded to the Arizona Governor's Commission on Service and Volunteerism	Audit	SC

Report Number	Report Title	Report Type	Grant Type
07-04	Audit of Corporation for National and Community Service Grants Awarded to the Utah Commission on Volunteers	Audit	SC
07-05	Audit of the Corporation for National and Community Service Grants Awarded to the Maryland Governor's Office on Service and Volunteerism	Audit	SC
07-07	Audit of Corporation for National and Community Service Grants Awarded to Volunteer Florida	Audit	SC
07-08	Audit of Corporation for National and Community Service Grants Awarded to Public Allies, Inc.	Audit	ND
07-10	Audit of Corporation for National and Community Service Grant Awarded to Home Instruction for Parents of Preschool Youngsters, USA	Audit	ND
07-13	Agreed-Upon Procedures of Corporation for National and Community Service Grants Awarded to Teach for America	AUP	ND
07-14	Agreed-Upon Procedures Review of Grants Awarded by Corporation for National and Community Service to Mississippi Commission for Volunteer Service	AUP	SC
07-15	Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to the Kansas Volunteer Commission	AUP	SC
07-18	Agreed-Upon Procedures For Corporation For National And Community Service Grants Awarded To The OneStar National Service Commission, Inc.	AUP	SC
07-20	Agreed-Upon Procedures of Corporation for National and Community service Grants Awarded to the Arkansas Service Commission	AUP	SC
07-21	Audit of Corporation for National and Community Service Grant Awarded to United States Veterans Initiative, Inc.	Audit	ND
08-04	Agreed-Upon Procedures of Corporation for National and Community Service Education Award Grant Awarded to United States Veterans Initiative	AUP	ND
08-08	Agreed-Upon Procedures for Corporation for National and Community Service Grants Awarded to Serve DC	AUP	SC

Key to Table A-1:
AUP=Agreed-Upon Procedures
SC=State Commission
ND=National Direct

For each identified report above, we reviewed contents and results. To develop categories and subcategories for the questioned costs, and compliance and internal controls findings, we focused on reviewing the nature and causes of all issues identified in each report. For the purpose of this compilation, all issues identified in each report (with fieldwork conducted by personnel from OIG or independent accounting firms) were considered and included, regardless of concurrence or non-concurrence from State Commissions and/or National Direct grantees. OIG also did not consider or include

resolutions of issues due to a significant number of unresolved resolutions as of June 2008.

Although we did not review all detailed methodology of each audit or agreed-upon procedures report, we obtained an understanding of the engagement objectives, as well as the types and extent of information being collected. An audit or agreed-upon procedures reviews whether: (1) costs claimed under the award are allowable, supported, reasonable, and necessary; (2) grantee's compliance with the applicable award terms and requirements; (3) internal controls over financial management and reporting were adequate to safeguard Federal funds.

Our review of the previous compilation report served as a reference for developing categories and subcategories for types of issues and for planning areas of focus in this compilation. This previous compilation report covered AmeriCorps audit reports issued during the period of October 1, 2001 through March 31, 2005. We also reviewed analysis and conclusions that were reported in the OIG Report 05-01E. OIG Report 05-01E revealed issues of inadequate financial controls and accounting systems as well as non-compliance in member eligibility records.

As a result of procedures performed above, the three main groups of categories that we designated for questioned costs were grant costs, match, and member costs. Grant costs categories included budget and reporting, and unallowable costs. Member costs categories included living allowance and education award. By associating costs with categories and subcategories of questioned costs, we were able to examine patterns and identified areas where questioned costs were frequently found. For findings related to compliance and internal controls, we classified into six categories: financial management; subgrantee monitoring; financial reporting; grant compliance (matching); grant compliance (other); and member compliance, eligibility, and reporting. During the process of preparing the results, we placed certain subcategories together where groupings seemed appropriate. Refer to Appendix B for a complete listing of our developed categories and subcategories for questioned costs and findings related to compliance and internal controls.

We developed categories and subcategories, as described above, to consistently identify questioned costs and findings related to compliance and internal controls, and to compile them systematically for retrieval, analysis, and reporting through the establishment of a series of Microsoft Excel spreadsheets. Utilizing Microsoft Excel spreadsheets, we further summarized data in various tables and charts to illustrate and support our analysis. These tables and charts are illustrated throughout this compilation report.

**Appendix B: Major Categories and Subcategories of
Questioned Costs and Findings**

Questioned Costs Categories and Subcategories

Questioned costs were classified in five major categories. Each major category included various standardized subcategories which were based on the types of questioned costs.

Refer to the Table 3, subcategory "Staffing/Payroll" (under Category "C. Unallowable Costs") consists of questioned costs due to the following issues:

- Subcategory: Staffing/Payroll
    - Missing/Improper Timesheets
    - Timesheets/Personnel Hours Not Supported
    - Personnel Hours Not Allowable/Allocable/Reasonable
    - Personnel not in Budget
    - Miscellaneous/Combined Issues (Staffing/Payroll)

Similarly, subcategories "Member Eligibility," "Member Service Hours," and "Member Status" (under Categories "D. Member Costs – Living Allowance" and "E. Member Education Award") consist of the following issues:

- Subcategory: Member Eligibility
    - Citizenship
    - Other Eligibility Documents/Member Forms/Evaluations/Contracts

- Subcategory: Member Service Hours
    - Missing/Improper Timesheets/Service Hours Not Supported
    - Service Hours Not Allowable/Allocable/Reasonable
    - Insufficient Service Hours
    - Service Earned Out of Service Period/After Service Completion
    - Miscellaneous/Combined Issues (Member Service Hours)

- Subcategory: Member Status
    - Member Not Enrolled
    - Member Enrolled Outside Service/Grant Period
    - Employee Earned Award

We noted that, for some audit and agreed-upon procedures reports we reviewed, there were instances in which a questioned cost did not have a detailed breakdown by issue area, or was related to two or more of the major categories we identified above. In addition, we noted that the approach and nature of grouping questioned costs varied by different individual auditors and/or review engagements. Therefore, we included a subcategory "Miscellaneous/Combined Issues" under each major questioned cost category to serve as a "catch-all" purpose.

Findings Categories and Subcategories

Similar to questioned costs, findings were classified in six major categories. Each major category included various standardized subcategories based on the types of findings.

Consistent with questioned costs issues classification, certain findings subcategories, as shown at the Table 5, include further detailed elements of issue areas:

- Subcategory: Financial Status Report
    - Late Submission
    - Missing/Not Submitted FSR
    - FSR not reconciled to Financial Management System/Supports
    - Not Supported by Documentation
    - Other FSR Errors/Variances

- Subcategory: Staff Timekeeping
    - Timesheets Not Retained/Not Prepared
    - Hours Not Allocable/Allowable
    - Timesheets Not Signed
    - Inadequate Timesheets (Errors/Improper Changes)

- Subcategory: Progress Report
    - Late Submission
    - Missing/Not Submitted

- Subcategory: Member Eligibility Not Performed / Untimely Performed / Inadequate Eligibility Records
    - Citizenship
    - Missing/Not Submitted
    - Others (High School Diploma, Parental Consent, etc.)

- Subcategory: Membership Forms (Enrollment, Exit, Change-of-Status)
    - Late Submission/Untimely Entered in WBRS
    - Not Retained/Not Prepared/Missing
    - Inadequate Forms (No Signatures/Errors/Improper Changes)

- Subcategory: Evaluations (Mid-Term & Final)
    - Late Submission
    - Not Retained/Not Prepared/Missing
    - Inadequate Evaluations (No Signatures/Errors/Improper Changes)

- Subcategory: Member Timekeeping
    - Late Submission
    - Not Retained/Not Prepared
    - Inadequate Timesheets (No Signatures/Errors/Improper Changes)
    - Variances Between Timesheets and WBRS
    - Hours Recorded Before/After Service Date
    - Hours Not Allowable/Allocable/Reasonable
    - Other Errors

- Subcategory: Orientation Documents (Agenda/Sign-in Sheet)
  - Not Retained/Not Prepared/Missing
  - Inadequate Documents (No Signatures/Errors)

- Subcategory: Contract
  - Not Retained
  - Lack of Signatures
  - Signed After Service Date
  - Lack of Elements Required by Grant Provisions/Laws & Regulations
  - Other Errors

We noted that for some audit and agreed-upon procedures reports we reviewed, there were instances that a finding related to two or more of the major categories we identified above. In addition, we noted that the approach and nature of grouping findings varied by different individual auditors and/or review engagements. Therefore, we included a subcategory "Miscellaneous/Combined Issues" under each major findings category to serve as a "catch-all" purpose.

In addition, our findings (related to compliance and internal controls) categories and subcategories were developed to capture all detailed issues as presented in each audit/agreed-upon procedures report we reviewed. As a result, a finding which was presented as a single finding in the report could consist of multiple findings utilizing our developed categories and subcategories. In these cases, we counted findings as multiple as long as the issues matched our developed categories and subcategories.

**Appendix C: Exception Error Rates –
Benchmark for Future Analysis**

Based on discussion with Corporation management at the exit conference, we included Table C-1 below to show the exception error rates for member-eligibility-related findings during calendar year 2007. Table C-1 serves as a benchmark to assist the Corporation in comparing exception error rates of member-eligibility-related findings to future years' reports.

Member-eligibility-related findings have been noted as long outstanding issues for the Corporation. We also made recommendations on member-eligibility-related findings, as mentioned in the previous section of this report. Therefore, we highlight the member-eligibility-related issues and present exception error rates related to this area. Exception error rates are based on all AmeriCorps audits and/or agreed-upon procedures reports that were issued during the calendar year 2007. These reports reflected recent findings and contain data that allowed us to calculate exception error rates.

As we identified the AmeriCorps audits and/or agreed-upon procedures reports that were issued during the calendar year 2007, we analyzed the findings related to member eligibility. As part of our work, we developed subcategories of the category "Member Compliance, Eligibility, and Reporting." We calculated the total sample population and number of exceptions for each report and developed exception error rates by each subcategory, as shown below.

Table C-1: Error Rate Benchmark on "Member Compliance, Eligibility, and Reporting" (Calendar Year 2007)

Findings Subcategory for "Member Compliance, Eligibility, and Reporting"	Error Rate
Member Eligibility Not Performed/Untimely Performed/Inadequate Eligibility Records	
• Citizenship	13.50%
• Criminal Background Check	47.15%
• Others (High School Diploma, Parental Consent, etc.)	1.89%
Membership Forms (Enrollment, Exit, Change-of-Status)	
• Late Submission/Untimely Entered in WBRS	82.12%
• Not Retained/Not Prepared/Missing	14.72%
• Inadequate Forms (No Signatures/Errors/Improper Changes)	24.80%
Evaluations (Mid-Term and Final)	
• Not Retained/Not Prepared/Missing	58.15%
• Inadequate Evaluations (No Signatures/Errors/Improper Changes)	25.70%
Orientation Documents (Agenda/Sign-in Sheet)	
• Not Retained/Not Prepared/Missing	50.72%
Contract	
• Not Retained	28.96%
• Lack of Signatures	12.12%
• Signed After Service Date	27.48%
• Lack of Elements Required by Grant Provisions/Laws & Regulations	4.12%
• Other Errors	14.76%

Appendix D: Corporation Response

To: Stuart Axenfeld, Assistant Inspector General for Audit

From: Kristin McSwain, Director, AmeriCorps*State and National
  Margaret Rosenberry, Director of Grants Management

Date: September 22, 2008

Subject: Response to OIG Draft Report: AmeriCorps Compilation of Findings

We have reviewed the draft report that compiles findings from the AmeriCorps audits issued between April 1, 2005 and December 31, 2007. The compilation of findings is helpful and confirms our own analysis of findings which we use to target training and technical assistance to grantees. We appreciate your willingness to add table C-1 which establishes some benchmarks for the next report. This will make the next report more helpful to Corporation management as we identify additional areas for training and improvement and refine monitoring processes. For purposes of this response to the draft, we address your recommendations related to the conclusions in the report and provide some recommendations for your consideration for the next compilation of audit findings.

Member/Program Staff Service Hours and Timekeeping. We concur with the recommendations. In September 2009, the Corporation will conduct a required AmeriCorps grantee meeting at which we will provide training on financial management and compliance for grantee program and financial staff members. The meeting will include workshops and training sessions on federal grants management requirements, subgrantee monitoring and AmeriCorps compliance requirements. At the Commission Executive Director's meeting on September 23 and 24, 2008, we will also present common audit findings and describe actions grantees can take to ensure they are in compliance and emphasize the importance of subgrantee monitoring to all commissions. In addition, the Corporation's monitoring tools include testing of member timesheets and comparison of WBRS hours to member timesheets.

We also expect the My AmeriCorps portal to be fully implemented by late January 2009. With its implementation, WBRS will cease to exist and double entry of member hours will end. Commissions and other grantees will use the portal to monitor member enrollment and exits. As part of the preparation for the transition to the portal, we also distributed a sample member timesheet and emphasized the importance of accuracy. In addition, as recommended in the report, the Commission Standards Review process tests commission monitoring systems to confirm they review member files and timekeeping

systems and that their policies and procedures are based on sound risk-based processes to ensure appropriate levels of review.

Member Eligibility and Records. We concur with the recommendations. The Corporation's AmeriCorps monitoring tools include testing of member files to ensure eligibility documentation is maintained and timekeeping is accurate. In addition, our review of commission monitoring tools and procedures during Standards Reviews checks grantee systems for adequacy. As noted above, at the Commission Executive Director's meeting September 2008 we will also present common audit findings and re-emphasize the importance of subgrantee monitoring to all commissions. In addition, before the end of September, the Corporation will award a cooperative agreement to a technical assistance provider to develop financial management webinars for grantees that will include training on the proper match documentation and record-keeping and staff time-keeping.

Documentation Maintenance and Support for Match. We concur with the recommendations, but question one of the conclusions related to this finding. The Corporation emphasizes the importance of providing all documentation to the auditors during the audit in its correspondence to the grantee as the audit begins. There is no basis to conclude that the reason documentation is not available during the audit is because the Corporation allows grantees to submit it later. The report notes that *"the grantee has more than sufficient time before the final audit report is issued to provide source documentation."* While this may be true at the grantee level, it is not always the case for subgrantees. Our review of questioned costs among commission audits reveals that a high percentage are at the subgrantee level. Commissions have sufficient notice about the audit to retrieve Administrative, PDAT and Disability grant documentation that may have been archived so it is readily available to the auditors. In the past, because subgrantees to be tested weren't identified prior to the start of audit work, they did not have sufficient time for some of them to retrieve stored documents from prior completed program years for auditors.

In our recent discussions with the OIG about the audit process, we agreed OIG staff will provide advance notice to the Commissions on the subgranees selected so they can retrieve appropriate documentation from past years in advance of the formal entrance conference. Corporation staff also revised the letter we send to grantees to re-emphasize the importance of providing all required documentation to the auditors during the audit. We think this will help ensure that all documentation is readily during the audit saving both OIG and OGM staff from unnecessary repetitive work. We also recommend that the draft report be available in writing at the exit conference so all parties understand what documentation is considered outstanding.

As noted above, the Corporation is developing webinars through a technical assistance provider that will address match documentation and record-keeping. In addition, on Commission Standards Reviews, staff assess the Commission's monitoring policies and procedures and guidance to subgrantees on record-keeping and documentation.

Recommendations for the Next Report. While a compilation of audit findings is helpful we hope the next report can include an analysis of the findings in addition to the compilation. It was helpful that this report provided sufficient analysis of some findings for the Corporation to identify specific remedies to address the issue; e.g. the report included detail related to member timekeeping which will be helpful in targeting our training and technical assistance activities. It would be helpful to have that level of analysis on all of the major findings. For example, there were 17 findings indicating that financial management systems were inadequate, but no analysis of the specific inadequacies. If a system itself is inadequate, the Corporation's recommendation might be to require the grantee to replace it. However, if a system is adequate, but the grantee is not using all of the system's capabilities, the outcome and recommendation is very different.

It would also be very useful to have benchmarks for error rates in other categories besides the Member Compliance, Eligibility and Reporting included in Table C-1. Other possible categories would be in staff timekeeping, reconciliation of financial reports to general ledgers, and match documentation. We would be happy to work with OIG staff to identify the information auditors would need to include in their reports to make this kind of analysis possible.