

Corporation for National and Community Service

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Recent OIG Audit Findings 2017 Corporation for National and Community Service

The findings below are from recent OIG audits of Corporation grants. These are recent audit findings, not necessarily common findings and typically occur in small percentages in the audit. In a few cases, as noted, the findings were specific to Senior Corps or AmeriCorps grants. The Corporation, through the Office of Grants Management or the Field Financial Management Center, can provide assistance to you if your review of these findings indicates you need to strengthen your policies and procedures in a specific area. You should request that assistance through your grants officer.

| FINDING | CONSEQUENCES | CORRECTIVE ACTION |
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| <p>Time and Attendance Grantees/subgrantees claim salaries based on budgeted amounts instead of actual after-the-fact time reported on timesheets. e.g. Grantee budgets for 20% of a staff member, claims 20% of the staff time, but timesheets support only 18%.</p> | <p>Auditors may question the entire claimed salary for all staff. During audit resolution, the grantee has to go back and re-calculate time spent for all staff based on the timesheets. Some disallowances can occur if not supported by the timesheets.</p> | <p>Develop and implement written policies and procedures for your timekeeping system to ensure payroll and/or accounting staff are claiming costs on the grants based on actual time spent. Implement reconciliation procedures between budgeted and actual time spent on grant activities to ensure your budgeted estimates are accurate and to know if you need to adjust staff allocations in future budgets. Document the process in writing.</p> |
| <p>Time and Attendance Staff allocating time to more than one grant are not keeping timesheets that show actual time spent on each grant. e.g. A Senior Corps grantee manages both an FGP and SCP program, but the director's timesheet does not allocate time between the two grants...The timesheet only records total work hours for the period and other hours/sick.</p> | <p>Auditors may question total salary costs because they can't determine how much time was actually spent on the different grants. Disallowances can occur in audit resolution if proper substantiation of time charges cannot be determined.</p> | <p>Develop and implement written procedures for proper timekeeping that ensures actual labor costs/time spent on each grant is recorded and which follow the requirements of the Cost Principles.</p> |

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| <p>AmeriCorps Member Time Member time sheets are not signed by both the member and supervisor. Member time sheet hours don't add up to the number required to earn the education award for the term of service.</p> | <p>Auditors may question the entire education award earned by those members because the member does not meet requirements for term of service – even if one hour short of term of service. Auditors may question the living allowance earned if the timesheets don't show the supervisor approved the service hours.</p> | <p>Establish written policies and procedures to ensure proper completion of timesheets. Establish an internal control to ensure member hours are accurate. On site visits, check program policies and procedures to ensure they have appropriate systems in place and sample timesheets to check that signatures are there and hours are accurate.</p> |
| <p>Subgrantee Monitoring Grantees assessment of grant applicants and monitoring was inadequate.</p> | <p>Auditors recommend corrective actions which include: - enhancing grant application review process to include risk assessments; and - enhancing and expanding monitoring efforts to include more robust monitoring review instruments and policies which outline consequences for non-compliance.</p> | <p>Make sure grant application reviews include risk elements such as: - Organizations financial management systems and internal controls - Single Audit Reports - Status of debt repayment for questioned monitoring or single audits</p> |
| <p>Match Grantee/subgrantee claims match that is not sufficiently supported. e.g. Grantee/subgrantee claims match for an activity that doesn't appear in the approved budget or for which there is no supporting documentation, such as time and attendance records and the value of time spent by staff at service locations.</p> | <p>Auditors question the unsupported match. If supporting documentation can't be provided, some disallowance of federal funds may result because match requirements are not met. Audit resolution requires significant time and effort to confirm all match.</p> | <p>Record all claimed match in accounting journals. Make sure claimed match is included in the budget and appropriate supporting documentation is maintained. Create a form on which donors can record in-kind support.</p> |
| <p>Match Grantee/subgrantee claims match that is excessive or substitutes match for activities not in the approved budget.</p> | <p>Auditors may decide to audit the entire match or question the entire match based on inability to confirm whether the match is reasonable or allocable under the approved budget. Audit resolution requires significant time and effort to confirm all match.</p> | <p>Make sure claimed match is reasonable and included in the budget. Request budget amendments as necessary to include new sources of match not included in the original budget.</p> |
| <p>Member Evaluations Grantees/subgrantees are not conducting mid-year and end-of-year evaluations or not maintaining them.</p> | <p>Auditors question the living allowance and education awards for members serving a second term without appropriate evaluations supporting successful completion of the first term.</p> | <p>Document requirements for regular review of member files to ensure all of the documentation is available. Verify implementation.</p> |

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| <p>Criminal History Checks Grantees/subgrantees are not maintaining documentation that demonstrates they conducted the National Sex Offender Public Registry (NSOPR). They don't maintain a screen print of the data base or don't ensure that the date the check was done shows up on the printed form.</p> | <p>Auditors question the living allowance and education award earned by those members based on failure to meet eligibility requirements.</p> | <p>Establish written monitoring procedures to check files and ensure all programs/operating sites understand the requirements and know how to use the NSOPR. Implement written policies and procedures for conducting and documenting the NSOPR check.</p> |
| <p>Criminal History Checks Grantees/subgrantees do not use the Corporation's designated state repository or use a vendor without confirming it uses the designated state repository.</p> | <p>Auditors question the living allowance and education award earned by those members based on failure to meet eligibility requirements.</p> | <p>Establish written monitoring procedures to check files and ensure all programs/operating sites understand the requirements and know which states repositories they must use. Develop written policies and procedures for conducting background checks.</p> |
| <p>Criminal History Checks Grantees/subgrantees do not complete the NSOPR before members start service and/or <u>initiate</u> the criminal history check before service begins.</p> | <p>The hours served and living allowance provided before the NSOPR was completed and the state repository checks were initiated are disallowed. Members may not earn their full education award.</p> | <p>Train all staff on the criminal history check requirements. Make sure policies clearly state that the NSOPR must be checked before participants start serving.</p> |
| <p>Internal Controls Grantees financial management system cannot identify federal costs and expenditures by award or year.</p> | <p>Auditors question reimbursed costs that cannot be readily allocated to a federal award. Failure to maintain a system of controls which can clearly identify costs in alignment with awards can lead to significant errors in allocating costs to proper awards and the inability to reconcile general ledgers with required financial reports.</p> | <p>Develop and implement a system of internal controls which, IAW 2 CFR §200.302 & §200.303(b)(1), provides a reasonable assurance that costs are being properly accounted for and charged to the correct federal award. Ensure that staff have been trained on internal control requirements and procedures.</p> |
| <p>Expenditures and Reconciliation Grantees/subgrantees are not reconciling expenditures in their accounting system/general ledger to amounts claimed on FFR.</p> | <p>Auditors question the difference between amounts on FFR and what the accounting system demonstrates are expended.</p> | <p>Develop and implement written procedures to conduct scheduled reconciliation between the FFR and the accounting system. Maintain a copy of the reconciliation report.</p> |