

Recent OIG Audit Findings 2007 Corporation for National Service

The findings below are common audit findings from OIG audits of Corporation grants. 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
<p>Time and Attendance Grantees/subgrantees claim salaries based on budgeted amounts instead of actual after-the-fact time reported on timesheets.</p> <p>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>Implement proper timekeeping system to document reconciliation between budgeted and actual time spent on grant activities. 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.</p> <p>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 leave 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>Implement proper timekeeping system which documents actual labor costs/time spent on each grant and clearly follows the requirements of the Cost Principles.</p>

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<p>Member Time Member time sheets are not signed by both 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 Members start serving before they sign the contract. Hours served prior to signature may not be counted towards the education award; this could cause the member to not qualify for the education award.</p>	<p>Auditors may question the entire living allowance and 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</p>	<p>Establish written policies and procedures to ensure proper completion of timesheets. Review timesheets and perform random reconciliations with WBRs and timesheets. Make this part of monitoring plan for subgrantees. Be sure your written policy requires members sign contracts before they start service.</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 for donated staff.</p>	<p>Auditors question the unsupported match. If supporting documentation can't be provided, some disallowance of federal funds may result because the match is 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.</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>

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<p>Member Evaluations</p> <p>Grantees/subgrantees are not conducting mid-year or 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 requirement for regular review of member files to ensure all of the documentation is available. Verify implementation.</p>
<p>Background Checks</p> <p>Grantees/subgrantees are not conducting background checks on members having substantial involvement with children and youth or vulnerable populations (as defined by state law)</p> <p>e.g. In reviewing a sample of member contracts auditors noted they included working as tutors and mentors as an activity. They asked for background checks and found some were missing.</p>	<p>Auditors question the living allowance and education award earned by those members based on failure to meet eligibility requirements.</p>	<p>Make sure all programs/operating sites understand the requirements of the specific state laws that apply, customize member contracts if necessary to exclude working with children and youth for any members not doing so, and maintain documentation that a background check was done on all members working with children, youth and vulnerable populations.</p>
<p>Expenditures and Reconciliation</p> <p>Grantees/subgrantees are not reconciling expenditures in their accounting systems/general ledger to amounts claimed on FSRs and FCTRs.</p>	<p>Auditors question the difference between amounts on FSR and FCTR and what the accounting system demonstrates as expended.</p>	<p>Create and implement written procedures to conduct scheduled reconciliation between the FSR, FCTR and the accounting system.</p>