OFFICE OF THE INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE

PRE-AUDIT SURVEY OF THE FLORIDA COMMISSION ON COMMUNITY SERVICE

OIG Audit Report Number 00-30
January 25, 2000

Prepared by:

KPMG LLP
2001 M Street N.W.
Washington, DC 20036

Under CNS OIG MOU # 98-046-5003
With the Department of Labor
DOL Contract # J-9-G-8-0022
Task # B9G9V104

This report was issued to Corporation management on September 20, 2000. Under the laws and regulations governing audit follow up, the Corporation must make final management decisions on the report's findings and recommendations no later than March 19, 2001, and complete its corrective actions by September 20, 2001. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

Office of Inspector General
Corporation for National and Community Service

CORPORATION
FOR NATIONAL
SERVICE

Pre-Audit Survey of the Florida Commission on Community Service OIG Audit Report Number 00-30

Introduction

The Corporation for National and Community Service, pursuant to the authority of the National and Community Service Act, awards grants and cooperative agreements to state commissions, nonprofit entities, tribes and territories to assist in the creation of full and part time national and community service programs. Currently, in accordance with the requirements of the Act, the Corporation awards approximately two-thirds of its AmeriCorps State/National funds to state commissions. The state commissions in turn fund, and are responsible for the oversight of, subgrantees who execute the programs. Through these subgrantees, AmeriCorps Members perform service to meet educational, human, environmental, and public safety needs throughout the nation.

Thus, state commissions play an important role in the oversight of AmeriCorps programs and expenditures. The Corporation has indicated that it intends to give them greater responsibility. However, the Corporation lacks a management information system that maintains comprehensive information on its grants including those to state commissions and subgrantees. Moreover, although the Corporation began state commission administrative reviews in 1999, the Corporation, historically, has not carried out a comprehensive, risk-based program for grantee financial and programmatic oversight and monitoring. It is also unlikely that AmeriCorps programs are subject to compliance testing as part of state-wide audits under the Single Audit Act due to their size relative to other state programs.

Therefore, CNS OIG has initiated a series of pre-audit surveys intended to provide basic information on the state commissions' operations and funding. The surveys are designed to provide a preliminary assessment of the commissions' pre-award and grant selection procedures, fiscal administration, monitoring of subgrantees (including AmeriCorps Member activities and service hour reporting), and the use of training and technical assistance funds. For each survey, we will issue a report to the state commission and to the Corporation communicating the results and making recommendations for improvement, as appropriate.

We engaged KPMG LLP to perform the pre-audit survey of the Florida Commission on Community Service. Based on the limited procedures performed, KPMG concluded that the Commission administers an open, competitive process to select national service subgrantees, but noted areas for improvement. KPMG concluded that the Commission's control policies and procedures to administer Corporation grant funds, and to provide subgrantees with training and technical assistance are adequate. However, KPMG recommends improvements in the Commission's monitoring processes. In addition, KPMG recommends that the Office of Inspector General perform limited auditing procedures to follow-up on issues identified by this pre-audit survey and that the Corporation follow-up to determine that appropriate corrective actions have been put into place.

Inspector General
1201 New York Avenue, NW
Washington, DC 20525

CNS OIG reviewed the report and work papers supporting its conclusions. We agree with the findings and recommendations presented therein.

The Florida Commission's response (Appendix C) describes its corrective actions in response to the report's recommendations. The Corporation's response (Appendix D) indicates that the Corporation plans to request semi-annual reports from the Commission on its actions to correct the conditions reported and to follow-up on the corrective actions when the Commission is reviewed during the Corporation's administrative review process.

Pre-Audit Survey of the
Florida Commission on Community Service
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2001 M Street, NW
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January 25, 2000

Inspector General
Corporation for National and Community Service:

At your request, KPMG performed a pre-audit survey of the Florida Commission on Community Service (Commission). The primary purpose of this survey was to provide a preliminary assessment of:

- the adequacy of the pre-award selection process;
- the fiscal procedures at the Commission;
- the effectiveness of monitoring of its AmeriCorps State subgrantees, including AmeriCorps Member activities and service hours; and
- the controls over the provision of technical assistance.

We were also to report on the recommended scope of additional audit procedures to be performed at the Commission.

Results in Brief

Based on the results of the limited procedures performed, we have made the following preliminary assessments regarding the Commission's systems for administering its AmeriCorps grants:

- The Commission administers an open, competitive process to select national service subgrantees. However, the Commission could not locate requested conflict of interest statements, and its files lack certain documentation to support funding decisions.

- The Commission has adequate control policies and procedures in place to administer the Corporation's grant funds.

- The Commission has established controls to evaluate and monitor subgrantees. However, the Commission's on-site monitoring procedures do not require documentation of the review of Member timesheets or subgrantee expense items.

- The Commission has adequate controls in place to provide reasonable assurance that training and technical assistance is made available and provided to subgrantees.

The section below entitled Findings and Recommendations describes the weaknesses noted above in further detail and addresses additional issues noted during the survey.

Based on our preliminary assessments, we recommend the performance of limited audit procedures to address the issues identified herein at the Commission for program years 1995-96

KPMG LLP. KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

through 1998-99. As part of the State of Florida, the Commission is annually subject to Office of Management and Budget (OMB) Circular A-133 audits. In addition, the Commission contracted for a separate OMB Circular A-133 audit for the fiscal year ended June 30, 1997, which reported no material internal control weaknesses or instances of noncompliance.

Additionally, we recommend that the Corporation follow up with the Commission to determine that appropriate corrective actions are put into place to address the conditions reported herein, and that the Corporation consider these conditions in its oversight and monitoring of the Florida Community Service Commission.

Background

The National and Community Service Trust Act of 1993, P.L. 103-82, which amended the National and Community Service Act of 1990, established the Corporation for National and Community Service.

The Corporation, pursuant to the authority of the Act, awards grants and cooperative agreements to State Commissions, nonprofit entities and tribes and territories to assist in the creation of full and part time national and community service programs. Through these grantees, AmeriCorps Members perform service to meet the educational, human, environmental, and public safety needs throughout the nation, especially addressing those needs related to poverty. In return for this service, eligible Members may receive a living allowance and post service educational benefits.

Currently, the Corporation awards approximately two-thirds of its *AmeriCorps State/National* funds to State Commissions. State Commissions are required to include 15 to 25 voting members. Each Commission has a responsibility to develop and communicate a vision and ethic of service throughout its State.

The Commissions provide AmeriCorps funding to approved applicants for service programs within their states and are responsible for monitoring these subgrantees' compliance with grant requirements. The Commissions are also responsible for providing training and technical assistance to AmeriCorps State and National Direct programs and to the broader network of service programs in the state. The Commissions are prohibited from directly operating national service programs.

The Corporation's regulations describe standards for financial management systems that must be maintained by State Commissions. The standards require, in part, that the State Commissions maintain internal controls that provide for accurate, current, and complete disclosure of the financial and programmatic results of financially assisted activities, and provide effective control and accountability for all grant and subgrant cash, real and personal property, and other assets.

Overview of the Florida Commission

The Florida Community Service Commission, located in Tallahassee, Florida has received AmeriCorps grant funds from the Corporation for National and Community Service since program year 1994-95. The Commission was established by Florida Statute 14.29 and is assigned to the Executive Office of the Governor of the State of Florida. The Commission serves as an advisory board to the Governor, Cabinet, the Legislature, and appropriate state

agencies and entities on matters relating to volunteerism and community service. The Commission currently has 26 full-time staff under the direction of an Executive Director, Associate Director and various department directors.

All Federal awards administered by the Commission are subject to the annual OMB Circular A-133 audit performed by the Auditor General of the State of Florida. The Commission's AmeriCorps grant was tested as a major program in accordance with OMB Circular A-133 for the state's fiscal year ended June 30, 1996; no material findings related to the Commission were noted. For its fiscal year ended June 30, 1997, the Commission contracted for an independent financial statement audit. This audit was performed in accordance with *Government Auditing Standards* and included an audit of the Commission's Federal awards in compliance with the requirements of OMB Circular A-133. No significant findings were reported. The Commission's AmeriCorps grant was not selected as a major program in the fiscal year 1997 or 1998 audit performed by the Auditor General.

The Commission provided us with the following information for the last three program years:

Program Year	Total Corporation Funding	Number of Subgrantees	Number of Sub-grantees Subject to A-133 Audit Requirements*
1996-97	$6,983,158	33	4
1997-98	7,085,440	57	7
1998-99	6,501,664	58	9

* Determination is based solely on dollar value of federal awards passed through the Commission for the program year. Remaining subgrantees could be subject to an OMB Circular A-133 audit if they received additional federal grant funds from other sources.

Appendix A contains more detailed information on funding received from the Corporation during program years 1996-97 through 1998-99.

Objectives, Scope, and Methodology

We were engaged by the Office of the Inspector General, Corporation for National and Community Service, to provide an assessment of the systems and procedures in place at the Commission for administering its AmeriCorps grants and for monitoring the fiscal activity of subgrantees. The primary purpose of this pre-audit survey was to provide a preliminary assessment of:

- the adequacy of the pre-award selection process;
- the fiscal procedures at the Commission;
- the effectiveness of monitoring of its AmeriCorps State subgrantees, including AmeriCorps Member activities and service hours; and
- the controls over the provision of technical assistance.

We were also to report on the recommended scope of additional audit procedures to be performed at the Commission.

Our survey included the following procedures:

- reviewing applicable laws, regulations, grant provisions, the Corporation's *A Reference Manual for Commission Executive Directors and Members*, and other information to gain an understanding of legal, statutory and programmatic requirements;

- reviewing OMB Circular A-133 reports and current program year grant agreements for the Commission;

- obtaining information from Commission management to complete flowcharts documenting the hierarchy of AmeriCorps grant funding for program years 1996-97, 1997-98 and 1998-99; and

- performing the procedures detailed in Appendix B over the Commission's internal controls, selection of subgrantees, administration of grant funds, evaluation and monitoring of grants, and the technical assistance process.

As part of the procedures performed, we documented and tested internal controls in place at the Commission using inquiries, observations, and examination of a limited sample of source documents. Finally, we summarized the results of our work to develop the findings and recommendations presented in this report. We discussed all findings with Commission management during an exit conference on January 25, 2000. Subsequent to that date, we communicated with the Commission to clarify and resolve certain matters related to our preliminary findings and to obtain additional information to finalize our report.

Our procedures were performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not, perform an audit of any financial statements, and the procedures described above were not sufficient to express an opinion on the controls at the Commission, or on its compliance with applicable laws, regulations, contracts and grants. Accordingly, we do not express an opinion on any such financial statements, or on the Commission's controls or compliance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We provided a draft of this report to the Commission and the Corporation. The Commission's and the Corporation's responses to our findings and recommendations are included as Appendix C and Appendix D, respectively.

Findings and Recommendations

Selecting Subgrantees

According to *A Reference Manual for Commission Executive Directors and Members*, section 3.2, "Commissions are expected to develop a fair and impartial process for reviewing and selecting applicants for potential funding."

The Commission administers an open, competitive process to select national service subgrantees. Selection officials receive a conflict of interest information sheet and an instruction package and use a standard form to evaluate each applicant. However, we identified the following areas for improvement within the selection process.

Maintenance of Completed Conflict of Interest Statements

According to *A Reference Manual for Commission Executive Directors and Members*, section 3.6, "State Commissions should strive to achieve the greatest objectivity and impartiality possible in the review and selection of grantees in the state...Any time a voting Commission member is not, or does not appear to be, for any reason, impartial to a program that is applying to the Commission for funding, the member has a conflict of interest." One way to help ensure this objectivity is to require selection officials (i.e., Commission members and peer reviewers) to annually certify in writing that they have no conflicts of interest.

Commission procedures call for staff to distribute relevant conflict of interest guidance to selection officials and requires these officials to annually sign conflict of interest statements certifying that they have no conflicts. However, for the three sample items selected in program year 1998-99, we were unable to review the signed conflict of interest statements as the Commission could not locate them.

Documentation of Reasons for Funding Decisions

In testing samples of applicants who were denied funding in program years 1997-98 and 1998-99, we noted that files for seven of eight items selected did not contain the rejection letter sent to the applicant. However, we did observe the existence of two of the missing letters on the Commission's computer system.

In addition, we selected four sample items from applicants awarded funding in program years 1997-98 and 1998-99. Of these items, three files did not contain renewal program performance assessments and one file did not contain a review evaluation.

Recommendation

We recommend the Commission develop procedures to ensure all support relevant to the selection process is documented and maintained. Such documentation should include justification for applicants who are awarded and denied funding. The Commission should also ensure that a copy of the annual conflict of interest certification is obtained from selection officials and properly maintained at the Commission.

Administering Grant Funds

As part of the grant administration process, "Commissions must evaluate whether subgrantees comply with legal, reporting, financial management and grant requirements and ensure follow through on issues of non-compliance" (*A Reference Manual for Commission Executive Directors and Members*, section 4.3).

The Commission's personnel appear to have adequate skills and experience to manage and administer Corporation grant funds. They have developed control policies and procedures to administer the Corporation's grant funds and, based on the results of our procedures, no areas for improvement were noted within this process.

Evaluating and Monitoring Subgrantees

As noted above, the Commission is responsible for evaluating whether subgrantees comply with legal, reporting, financial management and grant requirements and ensuring follow through on issues of noncompliance. The Commission has established controls to evaluate and monitor subgrantees, which include reviewing program and financial reports and conducting two quality assurance site visits for each subgrantee during the grant period. Commission personnel are required to notify the subgrantees of the results of these site visits, including strengths, weaknesses, concerns, recommendations, and any necessary follow-up requirements. The Commission also obtains and reviews OMB Circular A-133 reports from subgrantees on a routine basis.

However, we identified the following area for improvement related to the evaluation and monitoring of subgrantees.

Review of Subgrantees' AmeriCorps Member Timesheets and Expense Documentation during Site Visits

We reviewed quality assurance reports and interviewed selected program consultants to determine what procedures were performed during the quality assurance site visits. While the consultants represented to us that their visits included verification of Member timesheets and review of source documentation for expenses submitted for reimbursement, there was no documentation of the items selected during the review. As a result, we were unable to verify that such procedures were being performed.

Recommendation

We recommend the Commission document procedures completed to review Member timesheets and expense documentation during site visits. Documentation should include the listing of selected Member files, source documents and reports reviewed during the on-site visit, the dates covered by the review and the names of the personnel responsible for providing the information.

Providing Technical Assistance

The Commission has adequate controls in place to provide reasonable assurance that training and technical assistance is made available and provided to subgrantees. Procedures are in place at the Commission to (1) identify training and technical assistance needs of subgrantees through site visits, progress reports and a needs assessment survey; (2) notify subgrantees of training programs; and (3) provide needed training to subgrantees. We identified no significant areas for improvement within this process.

*****

This report is intended solely for the information and use of the Office of the Inspector General, the management of the Corporation for National and Community Service, the management of the Florida Commission on Community Service, and the United States Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

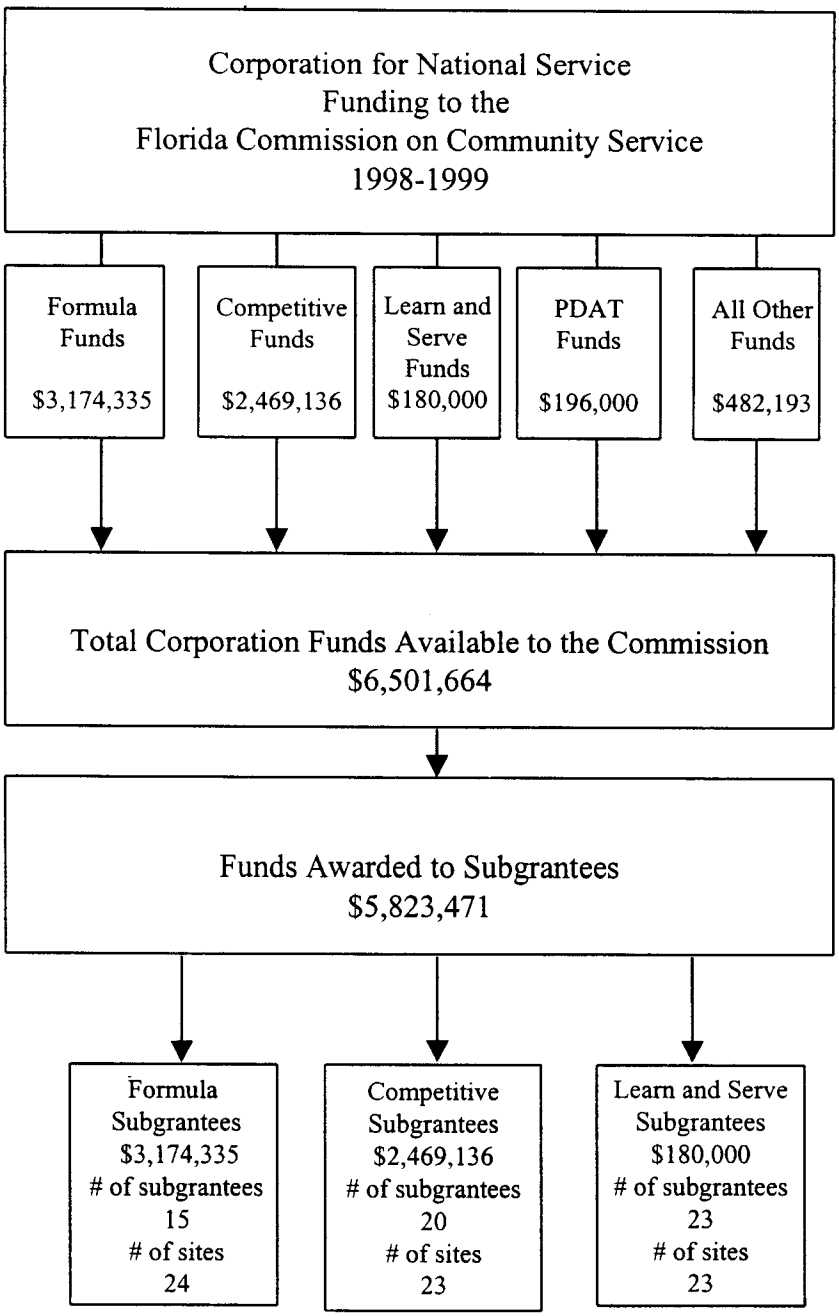
Commission Funding

Appendix A

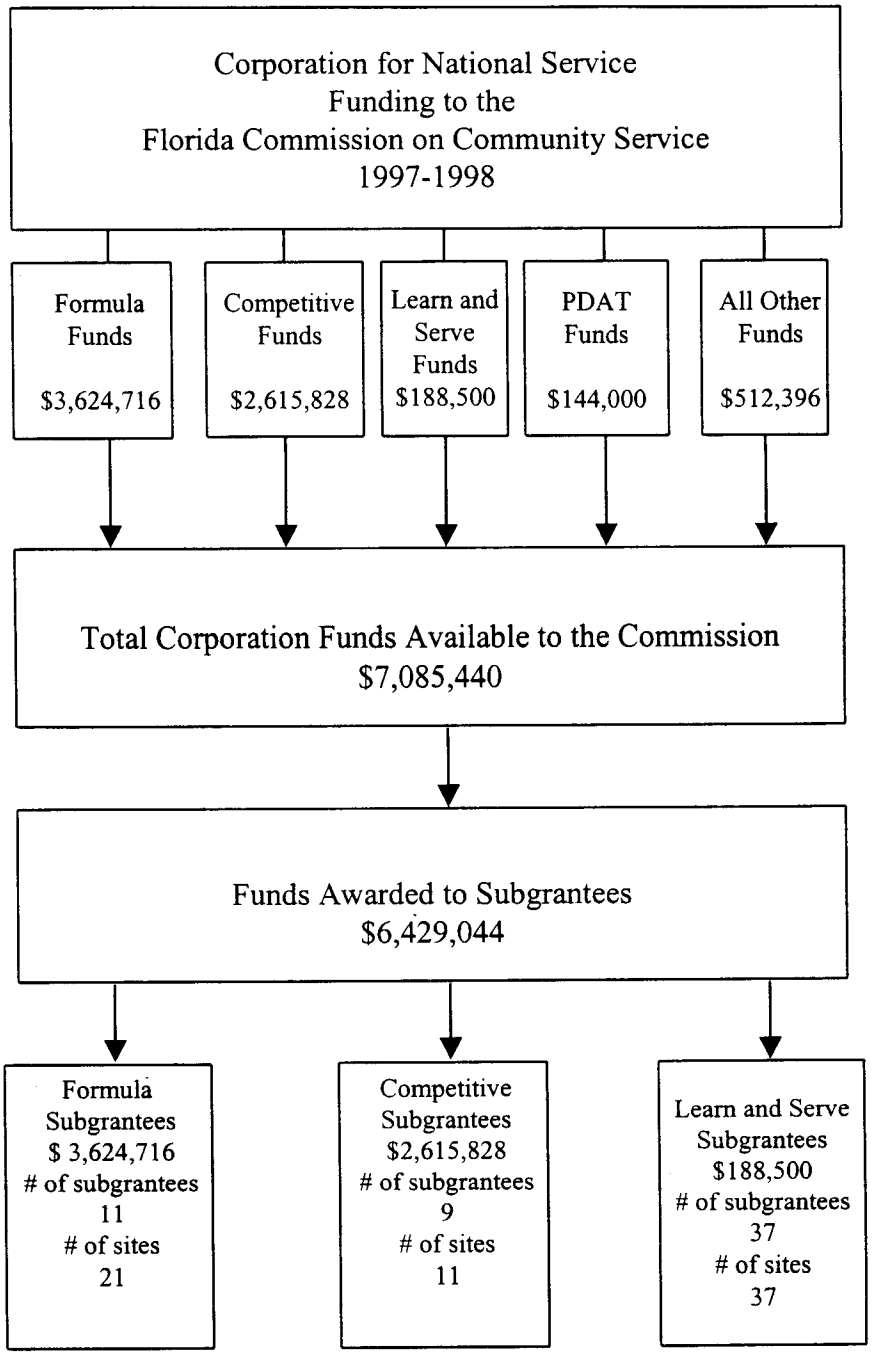
The table below and the flowcharts on the following pages depict the Commission's funding over the past three program years. We were unable to agree the funding amounts to the Commission's FSRs for the 1996-1997 program year because those FSRs had been prepared on a cumulative, not program year, basis.

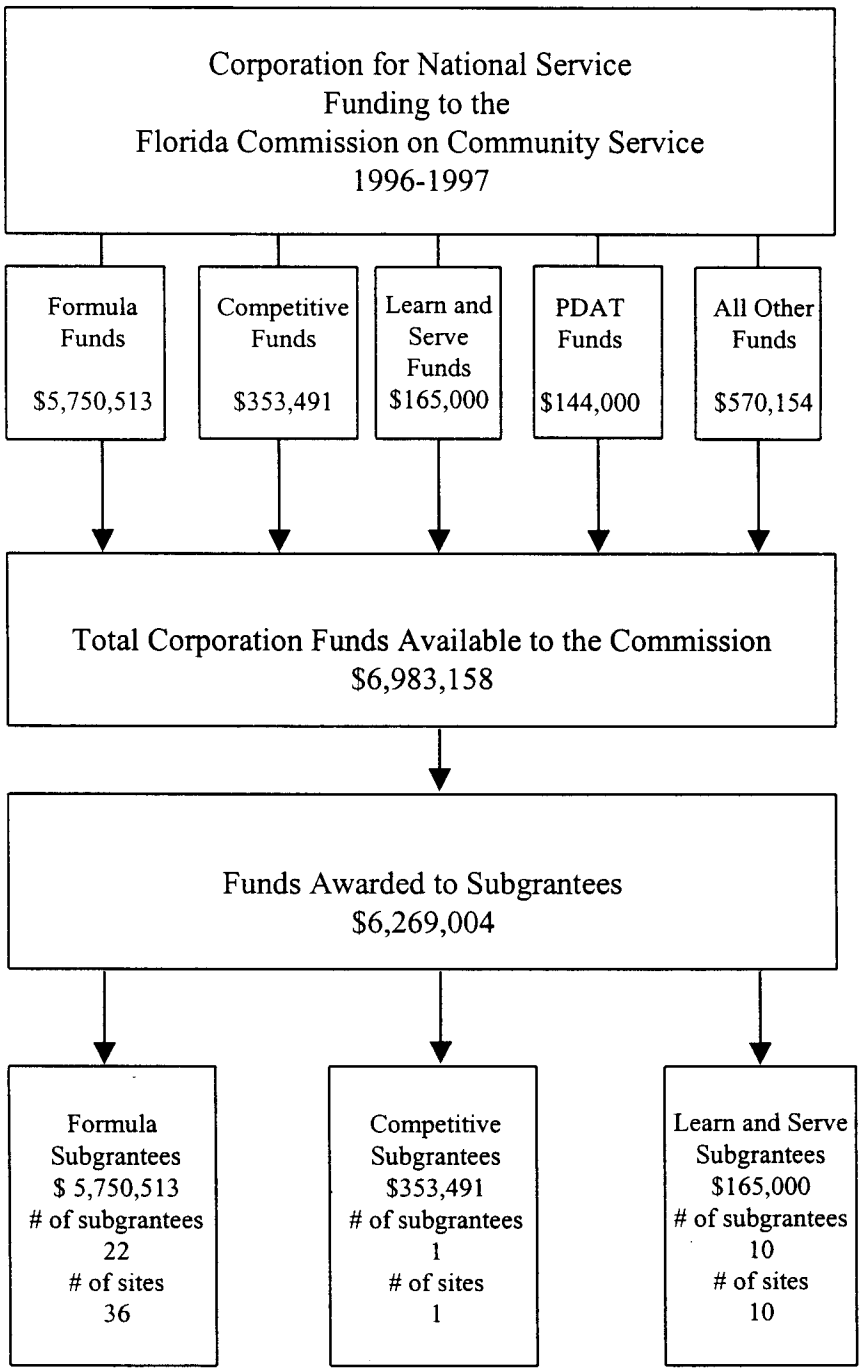
Funding Source and Type	1996-97	1997-98	1998-99
CNS Formula Grant Funds	$ 5,750,513	$ 3,624,716	$3,174,335
CNS Competitive Grant Funds	353,491	2,615,828	2,469,136
CNS Learn and Serve Funds	165,000	188,500	180,000
CNS PDAT Funds	144,000	144,000	196,000
CNS Administrative Funds	570,154	512,396	482,193
State Matching Funds	372,858	809,299	593,661
Total Funding	$7,356,016	$7,894,739	$7,095,325

Commission Funding



Commission Funding




Corporation for National Service
Funding to the
Florida Commission on Community Service
1996-1997
Formula Funds
$5,750,513
Competitive Funds
$353,491
Learn and Serve Funds
$165,000
PDAT Funds
$144,000
All Other Funds
$570,154
Total Corporation Funds Available to the Commission
$6,983,158
Funds Awarded to Subgrantees
$6,269,004
Formula Subgrantees
$ 5,750,513
# of subgrantees
22
# of sites
36
Competitive Subgrantees
$353,491
# of subgrantees
1
# of sites
1
Learn and Serve Subgrantees
$165,000
# of subgrantees
10
# of sites
10

Detailed Engagement Objectives and Methodology

Internal Controls

Our objective was to make a preliminary assessment of the adequacy of the Commission's financial systems and documentation maintained by the Commission to provide reasonable assurance that transactions are properly recorded and accounted for to: (1) permit the preparation of reliable financial statements and Federal reports; (2) maintain accountability over assets; and (3) demonstrate compliance with laws, regulations, and other compliance requirements.

In order to achieve the above objective, we identified the compliance requirements with a direct and material effect on the Commission's AmeriCorps grant program, as follows: activities allowed or unallowed and allowable costs; cash management; eligibility; matching; period of availability of Corporation funds; procurement, suspension and debarment; subrecipient monitoring; and reporting by the Commission to the Corporation. We then interviewed key Commission personnel to assess the Commission's controls surrounding these requirements.

Selecting Subgrantees

Our objectives were to make a preliminary assessment:

- of the adequacy of the systems and controls utilized by the Commission to select national service subgrantees to be included in an application to the Corporation;
- as to whether the Commission evaluated the adequacy of potential subgrantee financial systems and controls in place to administer a Federal grant program prior to making the award to the subgrantees; and
- as to whether Commission involvement in the application process involved any actual or apparent conflict of interest.

In order to achieve the above objectives, we interviewed key Commission management and documented procedures performed by the Commission during the pre-award financial and programmatic risk assessment of potential subgrantees. We also reviewed documentation to determine if conflict of interest forms for each subgrantee applicant tested were signed by selection officials annually and maintained by the Commission.

Administering Grant Funds

Our objectives were to:

- make a preliminary assessment of the adequacy of the systems and controls utilized by the Commission to oversee and monitor the performance and progress of funded subgrantees;

Detailed Engagement Objectives and Methodology

- make a preliminary assessment as to whether the Commission's organizational structure and staffing level and skill mix are conducive to effective grant administration and whether the Commission has a properly constituted membership;

- make a preliminary assessment as to whether the Commission provided adequate guidance to subgrantees related to maintenance of financial systems, records, supporting documentation, and reporting of subgrantee activity;

- make a preliminary assessment of the adequacy of financial systems and documentation maintained by the Commission to support oversight of subgrantees and required reporting to the Corporation (including Financial Status Reports, enrollment forms and exit forms); and

- determine whether the Commission has procedures in place to verify the accuracy and timeliness of reports submitted by the subgrantees.

In order to achieve the above objectives, we reviewed Financial Status Reports submitted by subgrantees, as well as Financial Status Reports submitted by the Commission to the Corporation, to preliminarily assess the accuracy of submitted Financial Status Reports. We also determined whether the Commission had implemented the Web Based Reporting System (WBRS).

Evaluating and Monitoring Subgrantees

Our objectives were to:

- make a preliminary assessment of the adequacy of the systems and controls utilized by the Commission, in conjunction with the Corporation, to implement a comprehensive, non-duplicative evaluation and monitoring process for their subgrantees;

- determine whether the Commission has an established subgrantee site visit program in place and make a preliminary assessment of the effectiveness of its design in achieving monitoring objectives;

- make a preliminary assessment of the adequacy of the Commission's procedures used to assess subgrantee compliance with Corporation regulations (e.g., those governing eligibility of Members, service hour reporting, prohibited activities, payment of living allowances to Members and allowability of costs incurred and claimed under the grants by subgrantees (including reported match));

- make a preliminary assessment of the adequacy of the Commission's procedures for obtaining, reviewing and following up on findings included in the subgrantee OMB Circular A-133 audit reports, where applicable;

- determine whether program goals are established and results are reported and compared to these goals; and

- make a preliminary assessment of the adequacy of the procedures in place to evaluate whether subgrantees are achieving their intended purpose.

In order to achieve the above objectives, we documented the procedures performed by the Commission to evaluate and monitor individual subgrantees. In addition, we judgmentally selected subgrantees and obtained the Commission's documentation for site visits. We reviewed the documentation to preliminarily assess the adequacy of the procedures performed by the Commission to assess financial and programmatic compliance and related controls at the sites. We also determined whether the Commission received and reviewed OMB Circular A-133 audit reports from subgrantees.

Providing Technical Assistance

Our objectives were to:

- make a preliminary assessment of the adequacy of the systems and controls utilized by the Commission to provide technical assistance to subgrantees and other entities in planning programs, applying for funds, and implementing and operating programs;

- determine whether a process is in place to identify training and technical assistance needs; and

- determine whether training and technical assistance is provided to identified subgrantees.

In order to achieve the above objectives, we documented the procedures performed by the Commission to identify and satisfy training needs for the subgrantees and Commission employees. We also obtained a summary of all training costs incurred during the current year to ensure they properly related to training activities that were made available to all subgrantees.

Florida Community Service Commission Response

Florida Commission on Community Service

Commissioners

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Chair

Barney T. Bishop, III
Vice Chair

Carlos Llorente
Treasurer

Dr. George W. Young
Immediate Past Chair

Cynthia Asia

Honor Bell

Deborah Brooks

Roy Brooks

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Adriana Comellas-Macretti

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Ted Hendry

Dan King

Patrick Morris

Maria Cristina Oliva

Eduardo Rivas

Maria Teresa Sanjuan

Ryan Scarborough

Warren C. Smith

Joan Wallace

Carl Weinrich

Roberta Zipperer

Fred Sanguiliano
Executive Director

August 18, 2000

Luise S. Jordan
Office of Inspector General
1201 New York Avenue, NW
Washington, DC 20525

Dear Ms. Jordan

We have reviewed the preliminary audit findings and recommendations on the draft report of the pre-audit survey of the Florida Commission on Community Service. Enclosed is the response of the Commission.

We appreciate your comments and recommendations. Should you require any additional information, please let us know.

Sincerely,

Fred Sanguiliano
Executive Director

Cc: Quinton Lynch, CNS
Lee Tubbs, Commission Chairman
Jill Canono
Venita Dorsey

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Florida Community Service Commission Response

Maintenance of Completed Conflict of interest Statements and Documentation of Reasons for Funding Decisions

Finding

In testing samples of applicants who were denied funding in program years 1997-98 and 1998-99, we noted that files for seven of eight items selected did not contain the rejection letter sent to the applicant. However, we did observe the existence of two of the missing letter on the Commission's computer system.

In addition, we selected four sample items from applicants awarded funding in program years 1997-98 and 1998-99. Of these items, three files did not contain renewal program performance assessments and one file did not contain a review evaluation.

Recommendation

We recommend the Commission develop procedures to ensure all support relevant to the selection process is documented and maintained. Such documentation should include justification for applicants who are awarded and denied funding. The Commission should also ensure that a copy of the annual conflict of interest certification is obtained from selection officials and properly maintained at the Commission.

Response

It is a policy and a standard practice of the Florida Commission on Community Service to require all peer reviewers to sign a conflict of interest form. Each year the peer reviewers sign conflict of interest forms as a regular part of their training and orientation before they begin to review proposals. It is also policy and standard practice of the Florida Commission on Community Service to provide justification for applicants who are awarded and denied funding.

During the '98-'99 program year, conflict of interest forms were signed by each peer reviewer. However, during an office move in 1998 the conflict of interest forms were misplaced and could not be located.

In February 2000, the Florida Commission on Community Service established tighter controls for filing and maintaining all files. We implemented a checklist showing which items should be included with each completed application file. This includes placing conflict of interest forms, review sheets and rejection letters sent to non-funded applicants in the appropriate files. Also, as part of the orientation packet for the Florida Commission's Board of Commissioners, they are now required to sign a form which certifies that each Commissioner will recuse themselves from voting on program funding if they have a conflict of interest (Attachment 1).

Evaluating and Monitoring Sub-grantees -
Review of Sub-grantees' AmeriCorps Member Time Sheets and Expense Documentation during Site Visits

Finding

We reviewed quality assurance reports and interviewed selected program consultants to determine what procedures were performed during the quality assurance site visits. While the consultants represented to us that their visits included verification of Member timesheets and review of source documentation for expenses submitted for reimbursement, there was no documentation of the items selected during the review. As a result, we were unable to verify that such procedures were being performed.

Recommendation:

We recommend the Commission document procedures completed to review Member time-sheets and expense documentation during site visits. Documentation should include the listing of selected Member files, source documents and reports reviewed during the on-site visit, the dates covered by the review and the names of the personnel responsible for providing the information.

Response:

It has been the practice of the Commission staff to review supporting documents and time sheets during the Site Visits using the Program Review Instrument and Quality Assurance visits using the Quality Assurance instrument. Upon the exit interview of the pre-audit survey with KPMG when this recommendation was made, we implemented the attached policy (Annual Supporting Documentation Request – Attachment 2). This requires each program to submit at least one month's supporting documentation during the program year for review. We have also incorporated the attached forms (Monitoring Instrument – Financial Management – Attachment 3, Monitoring Instrument – Time Sheet – Attachment 4) into our current Site Visit and Quality Assurance visit tools. The attached revised policy (Attachment 5) reflects the use of the new form into the tools.

ATTACHMENT 1

Conflict of Interest

We, as the Florida State Commission on Community Service, strive to achieve the greatest objectivity and impartiality possible in the review and selection of grantees in the state. As defined by the National and Community Service Act, a Commission member is considered to have a conflict of interest if the member is currently, or was within one year of the submission of a grant application to the Commission:

- ❑ An officer,
- ❑ A director,
- ❑ A trustee,
- ❑ A full-time volunteer, or
- ❑ An employee of an organization submitting a grant application to the State Commission

The regulations further clarify that even the *appearance* of a conflict of interest must be avoided. If, for instance, a Commission member founded, contributed to the founding, assisted in the development of, or donated large sums of money to an organization applying for funds, he or she would have a conflict in voting on the selection of programs.

The policy of the Florida Commission on Community Service is that any time a voting Commission member is not, or does not appear to be, for any reason, impartial to a program that is applying to the Commission for funding, the member has a conflict of interest.

I have read and understand the above conflict of interest statement. If, for any reason, I am not impartial to a program or an issue that comes before the board, I will excuse myself from voting.

_____
Commissioner Name (please print)

_____ _____
Signature Date

This document will be in effect for the term(s) of the Commissioner.

Annual Supporting Documentation Request
Established: 2-00

Once during the program year the Commission will request one month's supporting documentation of expenditures submitted on the corresponding month's FSR. The supporting documentation will be reviewed according to the FSR submitted, OMB Circulars, Provisions, and the Contract to verify expenditures. The review will also allow the Commission to further recognize sites needing additional technical assistance.

The month is to be selected at random, be requested from all sites at the same time and should be the same month for each program. The month requested will not include the first or last month of the program year. If possible a quarter ending and fiscal year ending month will not be selected due to additional reports required by the financial offices of grantees.

The sites may be contacted for further clarification of any expenditures during the month requested. The review may be expanded if any supporting documents are unexplained or continue to be questioned.

Florida Commission on Community Service
AmeriCorps Monitoring Instrument

ATTACHMENT 3

Worksheet : Financial Management

Reviewed By: _____

Date: _____

Report Date	Budget Line	Source (Fed,Match)	Amount Reported	Substantiated (Yes/No)	Notes

Florida Commission on Community Service
AmeriCorps Monitoring Instrument

ATTACHMENT 4

Worksheet : Time Sheets

Reviewed By: _____

Date: _____

Report Date	Pay Period Ending	Member ID/ Employee ID	Source (Fed,Match)	Amount Reported	Substantiated (Yes/No)	Notes

ATTACHMENT 5

Purpose of Site Visits and Quality Assurance Visits
Established: August 1996
Revised: September 2000

The Site Visit will consist of a one day visit utilizing the Program Review Instrument. A Quality Assurance visit will consist of a two to three day visit utilizing the Quality Assurance Instrument.

The QA visit allows for a closer and specific review of source documents. The time permitted in a site visit allows for only a general limited review of source documents. The intent of the site visit is to review systems to determine if additional assistance is needed in order for the program to operate. The intent of the QA visit is to determine if procedures and practices may be improved.

The AmeriCorps Monitoring Tools for Financial Management and Time Sheets will be utilized to document specific supporting documents reviewed. The completed tool will be filed in the Commission's Program File attached to the visit report.

CORPORATION
FOR NATIONAL
SERVICE

MEMORANDUM

TO: Luise S. Jordan

THRU: Anthony Musick

FROM: Deborah R. Jospin
Bruce H. Cline

DATE: August 17, 2000

SUBJECT: Response to the Draft Audit Report 00-30 Pre-Audit Survey of the Florida Commission on Community Service

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We have reviewed the draft report on your pre-audit survey of the Florida Commission. We note that your preliminary assessment recommends a limited procedures audit at the Florida Commission for program years 1995-96 through 1998-99. The draft audit report includes the following recommendation to the Corporation:

> "Additionally, we recommend that the Corporation follow up with the Commission to determine that appropriate corrective actions are put into place to address the conditions reported herein, and that the Corporation consider these conditions in its oversight and monitoring of the Florida Commission."

Some of the conditions cited in the "results in brief" section of the report include concerns related to retention of conflict of interest statements and specific documentation to support the selection of national service subgrantees. It was also noted that the Commission's on site monitoring procedures do not require documentation of the review of Member timesheets or subgrantee expense items.

Given our limited program administration resources, we developed a plan to assess State Commission administration functions. Over a three-year period, we will be reviewing each of the state commissions. As part of our follow-up with Florida, we will determine whether the Commission has put appropriate corrective actions in place for conditions noted in the pre-audit survey that your office has issued.

In addition to this scheduled review, we will also request that the Florida Commission provide semi-annual reports on their actions to correct conditions cited in the OIG pre-audit survey.

D 3 2000

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