OFFICE OF THE INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE

PRE-AUDIT SURVEY OF THE WYOMING COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

OIG Audit Report Number 00-35
January 14, 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 # B9G8V104

This report was issued to Corporation management on May 16, 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 November 12, 2000, and complete its corrective actions by May 16, 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
Wyoming Commission for National and Community Service
OIG Audit Report Number 00-35

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 Wyoming Commission for National and Community Service. KPMG's report, which follows, indicates that the Wyoming Commission administers an open, competitive process to select national service subgrantees, and has established policies, procedures and controls for fiscal administration, monitoring of subgrantees, and providing them with training and technical assistance. However, the report recommends improvements in the Commission's selection process, documentation of grant matching support, review of subgrantee audit reports, and its monitoring procedures. The report also include recommendations for follow-up on corrective actions by the Corporation for National Service, and a limited-scope audit of the Commission for program years 1995-96 through 1998-99.

We have reviewed the report and work papers supporting its conclusions, and we agree with the findings and recommendations presented. The Wyoming Commission's response is included as Appendix C.

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

Pre-Audit Survey of the
Wyoming Commission for National and
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2001 M Street, N.W.
Washington, D.C. 20036

January 14, 2000

Inspector General
Corporation for National and Community Service:

At your request, KPMG LLP (KPMG) performed a pre-audit survey of the Wyoming Commission for National and Community Service (the 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, we identified areas for improvement related to the assessment of applicants' financial systems during the selection process.

- The Commission has developed control policies and procedures to administer the Corporation's grant funds. However, the Commission does not maintain adequate documentation to support its in-kind administrative match amounts.

- The Commission has established controls to evaluate and monitor subgrantees. However, the Commission should improve (a) the contents of its program site visit report form and (b) its process for determining whether subgrantees have been audited in accordance with Office of Management and Budget (OMB) Circular A-133.

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

- The Commission has established controls 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.

The Commission's AmeriCorps grants have never been tested as part of an OMB Circular A-133 audit. Therefore, based on our preliminary assessments and the relatively low level of funding the Commission receives annually from the Corporation, we recommend the performance of a limited scope audit at the Commission for program years 1995-96 through 1998-99, with an emphasis on the evaluating and monitoring process.

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 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 Wyoming Commission

The Wyoming Commission for National and Community Service, located in Cheyenne, Wyoming has received AmeriCorps grant funds from the Corporation for National and Community Service since program year 1994-95. The Commission operates as part of the State of Wyoming's Department of Health. The Commission has one full-time Executive Director and a part time assistant.

As part of an agency of the State of Wyoming, the Commission is annually subject to an OMB Circular A-133 audit performed by the Wyoming State Auditors' Office. However the Commission's AmeriCorps grants have never been tested as major programs under OMB Circular A-133.

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

Program Year	Total Corporation Funding	Number of Subgrantees*
1996-97	$746,939	4
1997-98	896,018	6
1998-99	896,443	10

* Based solely on dollar value of federal awards passed through the Commission for each program year, no Commission subgrantees were subject to OMB Circular A-133 audit requirements. However, the subgrantees could be subject to an OMB Circular A-133 audit if they received additional federal grant funds from other sources. Because the Commission does not maintain documentation of whether subgrantees have been subject to OMB Circular A-133 audits, we were unable to determine the number of subgrantees subject to OMB Circular A-133 audit requirements.

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 28, 2000.

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 response to our findings and recommendations is included as Appendix C. The Corporation did not respond in writing to our findings and recommendations within the 30-day comment period.

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. The Commission advertises funding availability through mailing lists, newspapers and newsletters. In addition, selection officials sign conflict of interest statements annually, receive an instruction package, and use a standard form to evaluate each applicant. However, we identified the following area for improvement within the selection process.

Assessment of Applicants' Financial Systems during the Selection Process

Selection officials do not adequately consider applicants' financial systems during the Commission's subgrantee selection process. The Commission's procedures include the review of several criteria prior to giving an award. However, the criteria are primarily focused on program accomplishments with little or no evaluation of an applicant's financial systems. As a result, grant funds may be provided to an organization that does not have adequate financial systems in place to properly account for those funds or is unable to ensure compliance with related grant requirements.

According to *A Reference Manual for Commission Executive Directors and Members*, section 4.2, Commissions are responsible for maintaining "appropriate financial management systems to disburse funds and track Commission and program expenditures according to legal and grant requirements." In order to meet this responsibility, the Commission must be able to ensure that subgrantees have systems in place to accurately track expenditures, since this information forms the basis of a majority of Commission expenditure reporting.

Recommendation

We recommend the Commission improve the effectiveness of its subgrantee selection process as follows:

- Require applicants to provide information related to their financial systems, and review this information during the subgrantee selection process. The review should focus on assessing whether the financial systems, as described, would provide reasonable assurance that applicants will be able to properly account for grant funds and comply with related grant requirements.

Administering Grant Funds

As part of the grant administration process, Commissions must retain staff with appropriate skills and experience to manage their own organization and their subgrantees; implement policies and systems that ensure accountability; and maintain appropriate financial management systems to disburse funds and track Commission and program expenses according to legal and grant

requirements. (*A Reference Manual for Commission Executive Directors and Members*, Sections 3.2 and 4.2).

The Commission has developed and implemented procedures that are intended to provide reasonable assurance that grant funds received from the Corporation are properly administered. Procedures are in place to withhold funding payments if subgrantees do not submit Financial Status Reports (FSRs) timely; to manage cash draw downs and disbursements to subgrantees made by the Wyoming Department of Health as the Commission's fiscal agent; and to ascertain whether subgrantees have met their matching requirements. The Commission's personnel have adequate skills and experience to manage and administer Corporation grant funds. However, we identified the following areas for improvement within the administering process.

Supporting Documentation for In-kind Match Amounts

Beginning in 1998 (program year 1997-98), Commissions were required to match 50% of the total costs needed to administer their programs. A large portion of the Wyoming Commission's match is in the form of in-kind contributions from area businesses and the Wyoming Department of Health. The Wyoming Department of Health contributes accounting services, office space and the use of equipment.

According to the OMB Circular A-133 Compliance Supplement, April 1999, one of the basic criteria for an acceptable match is that amounts are verifiable from the entity's records. However, the Commission does not maintain adequate documentation to support all its in-kind match amounts related to the Corporation's Administrative Grant. Without adequate documentation, the Commission cannot demonstrate that it has met federal matching requirements.

Documentation of Review of Supporting Documentation Related to Matching Recalculation

Although the Commission's procedures indicate that subgrantees' matching requirements are reviewed, no evidence exists that the Commission reviews documentation supporting the subgrantee matching amounts as part of matching recalculation procedures performed during FSR review or during site visits. Without proper documented review of subgrantee supporting documentation for matching amounts, errors related to the matching requirement may be undetected.

Recommendations

We recommend the Commission improve the effectiveness of its grant administration process as follows:

- Maintain adequate documentation to support all reported in-kind match amounts. Documentation should include detailed records of contributions received (e.g., item description, amount, donor and date of contribution) and the methodology used to value these contributions.
- Develop and implement procedures to document its review of documentation supporting subgrantee matching amounts as part of matching recalculation procedures.

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 scheduling site visits for each subgrantee during the grant period. Commission personnel use a standard site visit report form to document results of each visit, and the Commission notifies the subgrantees of the results of these site visits, including strengths, weaknesses, concerns, recommendations, and any necessary follow-up requirements. In addition, the Commission evaluates program accomplishments reported by the subgrantees. However, we identified the following areas for improvement related to the evaluation and monitoring of subgrantees.

Content of the Program Site Visit Report Form

As part of the Commission's monitoring process, the Commission uses a standard form to document the results of each site visit. However, this form does not instruct the evaluator to perform such tasks as (a) examining for the required elements of a Member file, (b) reviewing and assessing for adequacy the subgrantee's policies and procedures, (c) reviewing documentation to support matching requirements, and (d) reviewing for prohibited activities. As a result, site visits may not be performed consistently across all subgrantees, and significant areas of controls and compliance may not be addressed.

Although Commission personnel review the subgrantees' AmeriCorps Member timesheets and expense documentation for proper support and approval during site visits, they do not document on the program site visit report form which Member timesheets and expense items were reviewed. In addition, the sample sizes used and the rationale behind these samples are not documented. As a result, a reviewer (e.g., supervisor) of the site visit documentation is not able to (1) assess if the sample size selected was adequate and (2) review the same documentation if a question arose about the results of the test.

Review of OMB Circular A-133 Audit Reports

OMB Circular A-133 Compliance Supplement, April 1999, Part 6 – Internal Control suggests that review of and follow-up on subgrantees' audit reports is a key component of a program to monitor subgrantees' compliance with federal grant requirements. However, the Commission has not implemented an adequate process for obtaining and reviewing OMB Circular A-133 audit reports for its subgrantees. According to State policy, the Wyoming Department of Health is responsible for obtaining OMB Circular A-133 audit reports from all of the State of Wyoming's subgrantees, including the Commission's subgrantees. Although the Wyoming Department of Health has procedures to review these reports for findings and follow up as necessary, the review is not documented, and any follow-up procedures performed by either the Wyoming Department of Health or the Commission have not been documented.

Written Policies and Procedures Related to Follow-up on Deficiencies Noted at Subgrantees

The Commission has not formalized its policies and procedures for ensuring that subgrantees correct deficiencies that are identified by the Commission. As a result, the Commission may not properly or timely ensure the correction of noted subgrantee deficiencies. However, for the two subgrantees we tested that had identified deficiencies, problems noted by the Commission during a site evaluation were resolved by the next site evaluation.

Recommendations

We recommend that the Commission improve its evaluation and monitoring of subgrantees as follows:

- Enhance its current program site visit report form to more specifically instruct the evaluators what procedures to perform and what items to review.

- Revise its current program site visit report form to require documentation of (a) the subgrantees' Member timesheets and expense items reviewed during site visits and (b) the rationale behind the sample size selection. The Commission's program site visit report form could be expanded to include space for such documentation.

- Develop and implement a process for obtaining and following up on OMB Circular A-133 audit reports for its subgrantees. This process should include documenting, for each of its subgrantees, (1) whether an OMB Circular A-133 audit was required to be conducted, (2) whether or not the audit was actually conducted, (3) collection and review of the report, and (4) follow up procedures performed for missing reports and to resolve reported findings.

- Formalize policies and procedures for ensuring that adequate corrective actions are taken when deficiencies are noted by the Commission.

Providing Technical Assistance

The Commission has internal control 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 discussions with program directors, site visits, quarterly progress reports and an annual needs assessment; (2) notify subgrantees of training programs; and (3) provide needed training to subgrantees. We identified no significant areas for improvement within this process.

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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 Wyoming Commission for National and 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.

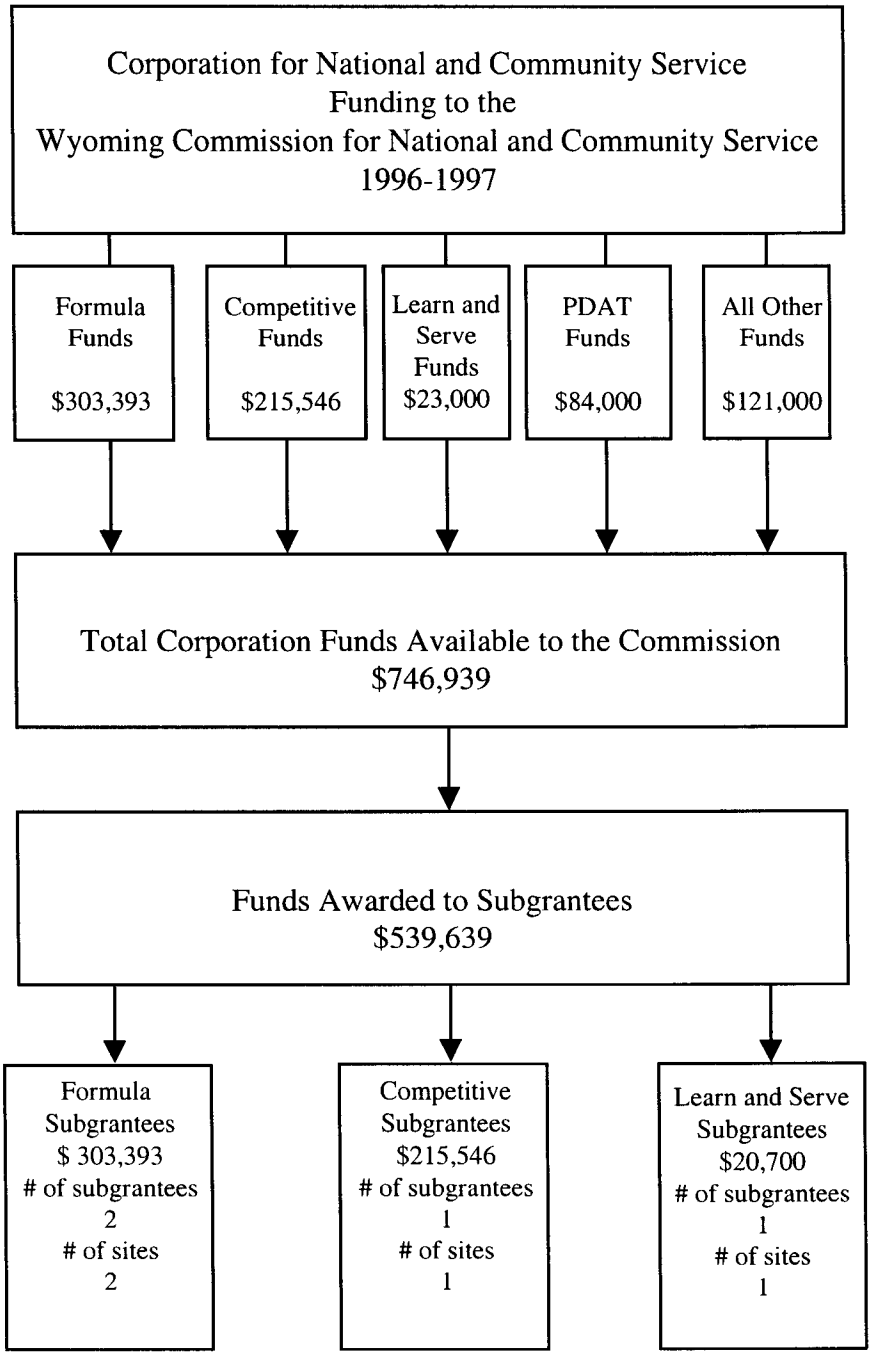
KPMG LLP

Commission Funding

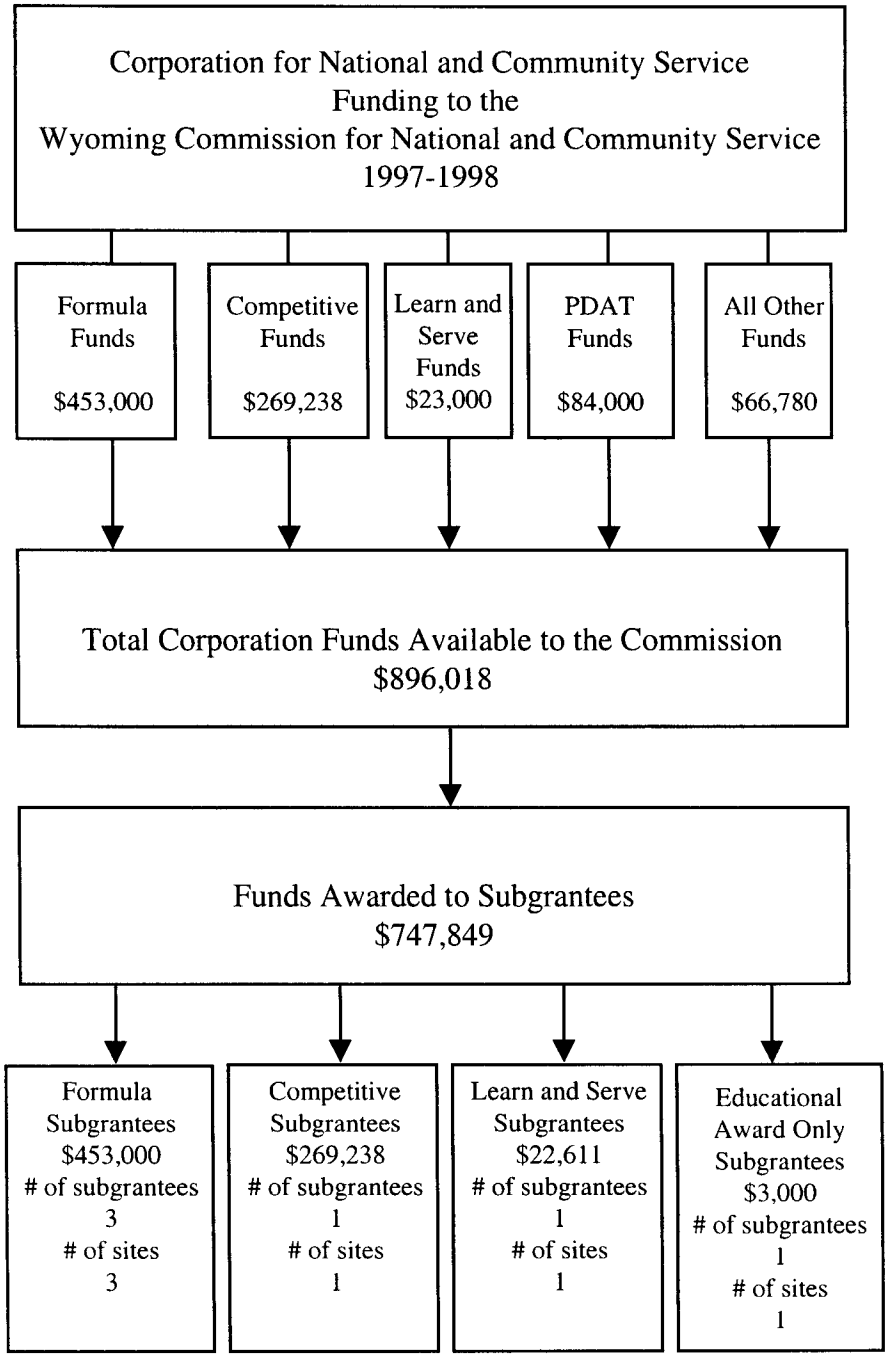
Appendix A

The table below and the flowcharts on the following pages depict the Commission's funding over the past three program years.

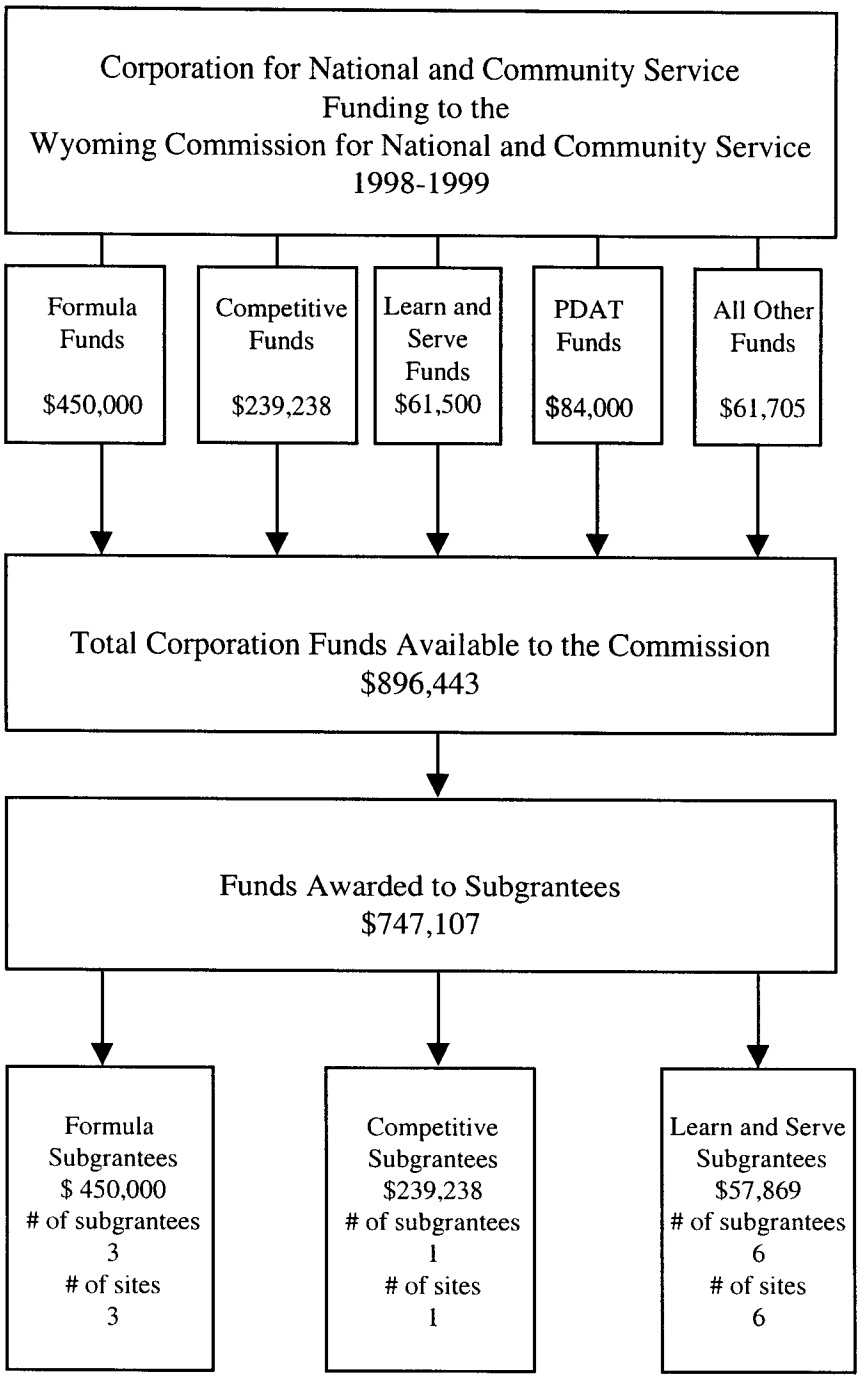
Funding Source and Type	1996-97	1997-98	1998-99
CNS Formula Grant Funds	$303,393	$453,000	$450,000
CNS Competitive Grant Funds	215,546	269,238	239,238
CNS Learn and Serve Funds	23,000	23,000	61,500
CNS Educational Only Awards	-	3,000	-
CNS PDAT Funds	84,000	84,000	84,000
CNS Administrative Funds	121,000	63,780	61,705
State Matching Funds	49,500	55,246	62,015
Total Funding	$796,439	$951,264	$958,458


Corporation for National and Community Service
Funding to the
Wyoming Commission for National and Community Service
1996-1997
Formula Funds
$303,393
Competitive Funds
$215,546
Learn and Serve Funds
$23,000
PDAT Funds
$84,000
All Other Funds
$121,000
Total Corporation Funds Available to the Commission
$746,939
Funds Awarded to Subgrantees
$539,639
Formula Subgrantees
$ 303,393
# of subgrantees
2
# of sites
2
Competitive Subgrantees
$215,546
# of subgrantees
1
# of sites
1
Learn and Serve Subgrantees
$20,700
# of subgrantees
1
# of sites
1

Commission Funding



Commission Funding



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; eligibility; matching; period of availability of Corporation funds; 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;
- 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 related to training activities that were made available to all subgrantees.

"Serve Wyoming"
WYOMING COMMISSION FOR NATIONAL
★ AND COMMUNITY SERVICE ★

Serve Wyoming

Jim Geringer
Governor

Timothy Johansen, Chair
Cathy J. Lyman
Executive Director

April 24, 2000

Ms. Luise Jordan
Inspector General
Office of Inspector General
1201 New York Avenue, N.W.
Washington, D.C.

Dear Ms. Jordan:

Enclosed please find my response on behalf of the Wyoming Commission for National and Community Service to the draft report of the pre-audit survey. I have used the blank form attached at the end of the draft report. I hope that this is correct.

If additional information is needed or if I have used the wrong format, please let me know so that I can fully comply with this request for response.

Yours truly,

Cathy Lyman

Cathy Lyman
Executive Director

encl.

W.C.N.C.S.

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Phone: (307) 777-5396 Fax : (307) 638-8967 TDD: (307) 777-7230
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Selecting Subgrantees

In response to the recommendation that the Commission improve the effectiveness of its subgrantee selection process by requiring applicants to provide information related to their financial systems and review this information during the subgrantee selection process in order to focus on assessing whether the financial systems, as described, would provide reasonable assurance that applicants will be able to properly account for grant funds and comply with related grant requirements, the Commission has included the Corporation for National Service Financial Management Survey appearing on page 5-34 of the State Commission Manual with all grant application packages and required its submission with all applications since January 2000. In addition, the Commission's grant application review forms will maintain its previous organizational capacity category as an evaluation factor.

Administering Grant Funds

The Wyoming Commission for National and Community Service is responding to the recommendation that it improve the effectiveness of its grant administration process as follows:

- Continue use of its in-kind match document that includes a record of contribution and the methodology used to value these contributions, and insure its use for any and all contributions. The Commission is coordinating its efforts with the Wyoming Department of Health (the Commission's fiscal agent) and the Wyoming Department of Administration and Information to further document in-kind match.

- Will develop and implement a more detailed and more intensive procedure to document its review of documentation supporting subgrantees matching amounts.

Evaluating and Monitoring Subgrantees

The Wyoming Commission for National and Community Service will improve its evaluation and monitoring of subgrantees by :

- Developing lengthy and detailed instructions to more specifically instruct evaluators what procedures to perform and what items to review. This will also facilitate the development of revised estimate of the amount of time volunteer evaluators such as Commissioners will be advised to set aside for this task.

- Revising its current program site visit report form to require documentation of a) the subgrantees' Member timesheets and expense items reviewed during site visits and b) the rationale behind the sample size selection. Since Wyoming programs are typically twenty full time members or less, and since the Auditors were unable to offer any guidance as to what would be considered an adequate sample size or what method should be used to determine an adequate sample size, the Commission assumes that a 100% sample will be required. The site visit report form(s) will be expanded to include space for such documentation, and time estimates offered to persons traveling to sites for visits will be adjusted accordingly. Future plans and budgets will reflect this additional requirement.

- Developing and implementing a process for obtaining and following up on OMB Circular A-133 audit reports for subgrantees in addition to the State of Wyoming's process already in place. This procedure will include 1) documentation from the State of Wyoming that an OMB Circular A-133 audit is or is not required. 2) Should such an audit ever be required, the Commission will require written proof that the audit was conducted. 3) The Commission staff will collect and review the report and 4) perform follow up procedures for missing reports and to resolve reported findings. This process will be documented and provided to all funded programs. Efforts will be made to change the job description for the Commission's Executive Director to reflect the emphasis on financial management and review over other functions, and the need for extensive accounting education or experience

Provide Technical Assistance

The Commission will continue to perform its acceptable procedures for training and technical assistance. A workshop for all funded programs covering financial management and sustainability to be presented by professionals in the financial management field is scheduled for September 2000, with subsequent training in these areas designed to reflect grantees' self assessments and needs made evident through the Commission's even more extensive review of program documentation, procedures and records.