OFFICE OF THE INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE

OIG Letter Report Regarding Corporation for National and Community Service Contract No. 97-743-1004 With Abt Associates, Inc.

OIG Audit Report Number 00-55
August 15, 2000

This report was issued to Corporation management on September 28, 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 29, 2001, and complete its corrective actions by September 28, 2001. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

CORPORATION
FOR NATIONAL
SERVICE

OIG Letter Report 00-55

August 15, 2000

Mr. Anthony Musick
Chief Financial Officer
Corporation for National and Community Service

Dear Mr. Musick:

Pursuant to a request received from the Corporation for National and Community Service, the Office of the Inspector General included the Corporation's contract with Abt Associates, Inc., (Contract Number 97-743-1004) in its Fiscal Year 2000 audit plan. The contract between the Corporation and Abt was executed on September 25, 1997. Under the contract, Abt provides program evaluation services to the Corporation. Services are reimbursed on a time and materials basis. The contract provides for a base period and four option periods, with a current contract ceiling of $5,820,000. Invoices through July 19, 2000 total $2,930,376.

OIG retained Cotton & Company, LLP, to perform preliminary survey work of the contract to determine to what extent an audit should be performed. Cotton & Company determined that DCAA, Abt's cognizant audit agency, is currently performing an incurred cost audit of Abt for Fiscal Years 1998 and 1999, including both direct and indirect costs. DCAA also intends to audit Fiscal Year 2000 by September 30, 2001.

Based on this preliminary work, Cotton & Company recommended and OIG concurs that an audit is not warranted at this time. However, OIG recommends that the Corporation obtain and review the upcoming DCAA audit report, and that the Corporation follow up any relevant findings.

Luise S. Jordan
Inspector General

Inspector General
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