

**Office of Inspector General
Corporation for National and Community Service**

Fiscal Year 2010 Audit Plan

The Office of Inspector General (OIG) Audit Plan for Fiscal Year 2010 is intended to be an evolving document that will add projects, including requests, as time, staff, and funding allow. The plan includes audits required by statute, including the Corporation's Financial Statements, the Strengthen AmeriCorps Program Act, and an evaluation of the Corporation's information system security program, as required by the Federal Information Security Management Act of 2002.

Actions by Congress and the Obama Administration during this reporting period set the stage for an unprecedented expansion of the Corporation's national service programs. The American Recovery and Reinvestment Act of 2009 allocated \$200 million in stimulus funds to the Corporation to create 10,000 additional AmeriCorps positions and to increase the ranks of Volunteers in Service to America by 3,000 members.

The Act also allocated \$1 million to the OIG, which is charged with providing a high level of oversight, transparency, and accountability for every taxpayer dollar invested in expanded service programs. Working in concert with the Office of Management and Budget, the Council of the Inspectors General on Integrity and Efficiency, and the Recovery Accountability and Transparency Board, we began our oversight activities in earnest, including the establishment of a Recovery.gov Internet website and an OIG recovery website that will keep the public apprised of our work.

The OIG is prepared to meet the oversight challenge embodied in the Edward M. Kennedy Serve America Act, which was approved by Congress in FY 2009 and subsequently signed into law by President Obama. This Act, along with proposed increased budget appropriations, will, in the years ahead, triple the number of Corporation-supported volunteers in the field and create a whole new set of specialized volunteer Corps that will enlist youth, retirees, veterans and other segments of our population that will focus on specific national and community needs. The OIG Audit Plan for Fiscal Year 2010 is intended to respond to these changes.

Financial Statements and Corporation Audits

Corporation's Fiscal Year 2010 Financial Statements Audit

The Government Corporation Control Act requires the Corporation to issue an annual financial report that includes its OIG-audited financial statements. The schedule for this audit anticipates that the Corporation will prepare financial statements and meet the requirement of issuing audited Fiscal Year 2010 financial statements by November 15, 2010. As part of this audit, the OIG will continue to monitor the Corporation's progress toward correcting previously identified internal control weaknesses.

Fiscal Year 2010 Strengthen AmeriCorps Program Act Audit

The Strengthen AmeriCorps Program Act of 2003 requires an independent annual audit of the accounts of the Corporation relating to appropriated funds for approved National Service positions and the records demonstrating the manner in which the Corporation

records its National Service Trust obligations. This audit will determine whether the Corporation has complied with the requirements of the Act. Specifically, the audit will examine whether obligations are recorded in a timely manner, whether the amount of the Trust obligation is based on the estimated value of the education benefit, and whether the reserve account is maintained to meet the needs of the Trust.

Independent Evaluation of the Corporation's Information System Security (FISMA)

Under the Federal Information Security Management Act of 2002, the OIG is required to annually perform an independent evaluation of the Corporation's information security program and practices to determine their effectiveness. The evaluation shall include testing of the effectiveness of information security policies, procedures, and practices of a representative subset of the agency's information systems. The assessment will also include a determination of compliance with related information security policies, procedures, standards, and guidelines, as well as the requirements of the Office of Management and Budget.

Annual Review of Corporation's National Service Trust Report

As required by the Senate VA-HUD Markup Report, the OIG will review the Corporation's Annual Trust Status Reports and prepare a letter for the leaders of the Corporation's appropriations committees. We will continue that effort, as required by Fiscal Year 2009 appropriations and markup reports.

Corporation-Wide Leasing Audit

The OIG plans a phased approach to OIG oversight of the Corporation's leases. The first phase, planned to begin in FY 2010, is an Audit of NCCC campus leasing, which may include contract planning, award, and administration; contract funding, timeliness of recording lease obligations; requirements requisitioning; delivery and acceptance activities, and internal controls. The scope extends primarily from October 1, 2007, to a time to be determined in FY 2010, but as necessary, will extend backward to the original contract award dates. Phase II, Audit of Vehicle Leases, and Phase III, Audit of Capital leases and Other Operating Leases, are planned for audit in subsequent years. Each phase will result in its own report.

Review of the Grant Application Review Process

The Office of Grants Policy and Operations was established in 2004 to manage and oversee the Grant Application Review Process (GARP) operations for all Corporation grant competitions. The office is also responsible for promoting consistency of competitive grant application reviews across the Corporation. Our audit would include an assessment of review process to determine whether the GARP is consistent, fair and objective, and consistent with applicable laws and regulations.

Quality Assessment of Corporation Monitoring Activities

This is a follow-on review of the OIG Study of Corporation Federal Assistance Monitoring Tools, issued in July 2008. That report focused on whether Corporation monitoring tools provided coverage of all applicable regulatory provisions and terms of grants and cooperative agreements. This follow-on review will focus on the quality of monitoring that has been conducted, and will determine whether the methods used to implement Corporation monitoring tools provide a reasonable basis for the Corporation's findings and conclusions.

Review of Approved Justifications for Compelling Personal Circumstances

Pursuant to Title 45 Code of Federal Regulations §2522.230, an AmeriCorps participant may be released from completing a term of service and receive a pro-rated education award only by demonstrating compelling personal circumstances. The objective of this review is to determine whether approved justifications for compelling personal circumstances were supported and were consistent with AmeriCorps regulations.

Review of the Corporation's Implementation of the Serve America Act

The Edward M. Kennedy Serve America Act (Serve America Act - Public Law 111-13) was signed into law on April 21, 2009, and will go into effect on October 1, 2009. It authorizes a series of new initiatives, creates new programs for social innovation and volunteering, and makes significant changes to existing Corporation operations. The OIG will assess the Corporation's overall compliance with the Serve America Act including: 1) reviewing the proposed Corporation policies/provisions related to the Serve America Act and providing comments to the Corporation management; 2) assessing whether the Corporation has appropriately designated and assigned its resources (personnel, Information Technology, and infrastructure) to support the new and/or expanded program; 3) assessing the effectiveness of internal controls implemented related to the new and/or expanded programs.

Review of the Corporation's Oversight and Resolution of OMB A-133 Reports

The Corporation is assigned cognizance or oversight for some grantees (cognizance determined every five years and oversight assigned by the Federal Audit Clearinghouse). This review was included in the FY 2009 Audit Plan but was not conducted because the Corporation decided to revise its internal policies relating to A-133. We will monitor the Corporation's policy development and its oversight of grantees, receipt of their A-133 audit reports and resolution of findings in those reports.

AmeriCorps*State &National Programs

In Fiscal Year 2010, if funding permits, we will commence audits or agreed-upon procedures engagements for the following:

- American Samoa Commission
- Guam Commission
- Alabama Governor's Office of Faith-based and Community Initiatives
- Colorado Governor's Commission on Community Service
- Office of Volunteerism and Community Service (Virginia Commission)
- Connecticut Commission on Community Service
- Northern Mariana Islands

Other Corporation Grant Audit Efforts

As each year's audit plan is prepared, we ask the Corporation for its input. Traditionally, we are asked to perform audits of various Senior Corps grantees. We estimate that we will audit the following requested Senior Corps programs:

- Lifelong of Tomkins County
- RSVP of Jackson County
- Wayne County Action Program

AmeriCorps*State &National Programs

During this fiscal year we plan to complete the following audits and agreed-upon procedures for State and National Direct, all of which were initiated late in FY 2009:

- Greater Pittsburgh Literacy Council
- Health Literacy Foundation
- University of San Francisco – School of Education
- Missouri Community Service Commission
- Delaware Commission on Community and Volunteer Service
- The Health Federation of Philadelphia
- Hunter College of the City University of New York
- Lower Mississippi Delta Service Corps
- American National Red Cross
- Points of Light Institute

Senior Corps Programs

During FY 2010, we plan to complete the following audits and agreed-upon procedures for State and National Direct which were initiated late in FY 2009:

- Lutheran Community Services of NW
- Office of Volunteerism and Community Service (West Seneca)

Initial Recovery Effort

VISTA Audit

AmeriCorps*VISTA is a national service program that was created in 1964 and designed to fight poverty and build economic opportunity. Volunteers serve in nonprofit organizations and local agencies that serve low-income communities. ARRA authorized an additional \$65,000,000 of funding to recruit up to an additional 3,000 full time VISTA members. VISTA members funded through ARRA will augment the ongoing work of the program through activities such as fundraising, establishment of volunteer recruitment and management systems, community outreach and partnership development. Our planned performance audit objectives are to determine whether the VISTA Program: (1) is operating efficiently and effectively and in compliance law, regulation, and Corporation policy; and (2) whether internal controls are in place and operating effectively to safeguard against fraud, waste, abuse, and mismanagement.

Accounting System Audits

The Corporation received \$89 million in Recovery Act funding to award approximately 10,000 full-time, part-time, and reduced part-time AmeriCorps*State and National member positions. Grant recipients will primarily be nonprofit community organizations. We will perform accounting system audits of high risk organizations to determine whether they possess financial management systems to properly account for Federal funding and establish whether they are in compliance with laws, regulations and grant provisions, including ARRA reporting requirements. The audit will include procedures to ensure that

financial systems are adequate and that proper safeguards are in place to manage and account for ARRA grant funds received.

Investigative Support As Needed

In FY 2009, the OIG Audit Section provided extensive audit support to the Investigative Section. We anticipate that this unplanned activity will continue in FY 2010.