



January 18, 2000

OIG REPORT 00-12

MEMORANDUM FOR: RUPERT L. JOHNSON, EXECUTIVE DIRECTOR
GOLDEN TRIANGLE PLANNING
AND DEVELOPMENT DISTRICT

OBJECT: Memorandum Survey Report
Review of Telecommunications Network System Project
MS-12805-97

PURPOSE

The purposes of our review were (1) to determine the allowability of the costs claimed under the ARC grant, (2) to determine if the grant objectives were met and (3) to determine the current status of the project.

SCOPE

Our survey included procedures to review costs incurred and claimed for reimbursement under the grant, as well as costs claimed as matching funds. The period of performance for the grant was May 1, 1997 through September 30, 1998. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Starkville, Mississippi, on December 16 and 17, 1999. As a basis for determining allowable costs and compliance requirements, we used the provisions of the grant agreement, Office of Management and Budget (OMB) Circulars A-87 and A-102, and the ARC Code. Audit work was performed in accordance with Government Auditing Standards.

BACKGROUND

ARC Grant MS-12805-97 was awarded to the Golden Triangle Planning and Development District to provide funds to acquire advanced telecommunications equipment, advanced computer server equipment and necessary cabling and software. The ARC grant will also underwrite installation and training costs. The Golden Triangle PDD is instituting a multi phase program to provide telecommunication awareness to initially four of its seven member counties. The equipment will also be available for training purposes to all of the Planning and Development Districts in the Appalachian region of Mississippi.

The grant was for \$254,173 (80%) of actual, reasonable and eligible costs of the project. The grantee was to pay or cause to be paid the non-ARC share of \$63,543(20%) in cash, contributed services, or in-kind contributions.

RESULTS

Financial Review

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for a sample of grant and matching costs charged to the project. Total claimed costs were supported by the grantee's accounting records and no deficiencies were noted as to the allowability of the expenses or the adequacy of the documentation for the expenditures we reviewed.

The grantee claimed total project costs of \$317,716, which included grant costs of \$254,173 (80%) and non-federal matching costs of \$63,543 (20%). ARC payment records show a balance of \$25,417 due Golden Triangle PDD as all funds have been expended.

Internal Controls

Internal Controls were in place and adequate. We did note that the inventory listing did not always list the serial numbers of all computer equipment.

Program Review

The project appeared completed and equipment in place and working. A training course was observed using the telecommunications equipment. A Final Report has been received.

RECOMMENDATIONS

We recommend that the grantee submit the necessary paperwork to claim the balance of the grant, \$25,417, so that ARC can close out the grant. Also, the computer equipment serial numbers should be added to the inventory listing, where possible.


Hubert N. Sparks
Inspector General



January 18, 2000

Mr. Rupert L. Johnson, Executive Director
Golden Triangle Planning and
Development District
P. O. Box 828
Starkville, MS 39760-0828

re: OIG Report 00-12(H), ARC Grant MS-12805-97


Dear Mr. Johnson:

Enclosed is a copy of our final report dealing with a grant for telecommunications equipment. We consider the report closed.

A copy of the report is being provided to the Federal Co-Chairman, ARC Executive Director, and the Mississippi State Alternate.

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure