



APPALACHIAN
REGIONAL
COMMISSION

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Office of the Inspector General

June 1, 2001

OIG REPORT 01-40(H)

MEMORANDUM FOR: LARRY WATTS, EXECUTIVE DIRECTOR
BIRMINGHAM REGIONAL
PLANNING COMMISSION

SUBJECT: Memorandum Survey Report
Review of Birmingham Regional Visioning
Implementation Project
AL-13143

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 September 9, 1998 through October 31, 2000. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Birmingham, Alabama, on April 26, 2001. 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 AL-13143 was awarded to the Birmingham Regional Planning Commission (BRPC) to provide funds to establish a planning and design center for the execution of regional strategic plans. BRPC has proposed a consortium of professional resources that would provide objective, cost-effective, and professional services. The consortium would include BRPC, the Auburn University Center for Architecture and Urban Studies, and Region 2020 Inc.

The total project costs was estimated as \$250,000. The ARC grant was for \$180,000 (72%). The grantee was to pay or cause to be paid matching contribution of \$70,000 (28%).

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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. However, there does exist a lack of separation of duties within the accounting process, as the same employee is involved with the receivables, payables and the monthly bank reconciliation. Although there is some oversight it does present an internal control risk. The grantee has agreed to address the situation.

The grantee's final reimbursement request, dated February 27, 2001, claimed total project costs of \$250,000, of which included grant costs of \$180,000 (72%) and matching costs of \$70,000 (28%). The grantee appears to have met their required match.

The grant ended October 31, 2000, but the final report was delayed to ensure complete information was collected from the various entities involved with the project. The final report dated April 4, 2001, was received and the grant was closed on April 11, 2001.

Program Review

The grantee has successfully completed the tasks as required in the grant agreement.


Hubert N. Sparks
Inspector General



July 20, 2001


MEMORANDUM FOR The Federal Co-Chairman
 ARC Executive Director

SUBJECT: OIG Reports

Enclosed are copies of the below-listed memorandum reports that apparently were not forwarded to your office at the time of issuance. The reports generally do not identify conditions needing followup, and we have closed the reports. However, OIG Report 01-37(H) notes that the Jefferson County Board of Education distance Learning Project had with project completion and equipment utilization delays similar to those reported in 01-21(H), Elmore County Telecommunications Project. Our recommendations emphasized timely project completion or alternative actions to utilize the equipment. For future projects of this type, control should be exercised to preclude equipment purchases substantially prior to other key project requirements being met.

- 01-22(H), Grant TN-12513, Scott County Emergency and Health Service Complex
- 01-23(H), Grant TN-12161, Cocke County Comprehensive Dental Service Grants
- 01-24(H), Grant TN-12499, Bledsoe County Dental Project Grants
- 01-25(H), Grant OH-13223, Foundation of Appalachian Ohio
- 01-26(H), Grant KY-13352, Appalachian Kentucky Water Resource Planning Grant
- 01-28(H), Grant GA-13076, Haralson County Adult Literacy
- 01-29(H), Grant GA-13551, Appalachian Georgia Early Childhood Initiative
- 01-30(H), Grant GA-13407, Catoosa County Adult Literacy Program
- 01-31(H), Grant NC-13217, Tri-County Community College Information Highway Site
- 01-32(H), Grant NC-13511, Caldwell Community College and Technical Institute

- 01-34(H), Grant NC-13186, North Carolina Partnership for Children
- 01-36(H), J-1 Visa waiver Program—Alabama
- 01-37(H), Grant AL-12447, Jefferson County Distance Learning Project
- 01-38(H), Grant AL-13452, North Alabama Science Center Hands-On Science Education Program
- 01-39(H), Grant AL-13244, Jefferson State Community College Workforce Development Center
- 01-40(H), Grant AL-13143, Birmingham Regional Visioning Implementation Project


Hubert N. Sparks
Inspector General

Enclosures

cc: Ms. Judy Rae



July 20, 2001


Ms. Bonnie F. Durham
ARC Program Manager
Alabama Appalachian Regional Office
P. O. Box 681093
Ft. Payne, AL 35968

re: OIG Reports 01-37(H), 01-38(H), 01-39(H), 01-40(H);
ARC Grants AL-12447, AL-13452, AL-13244, and
AL-13143

Dear Ms. Durham:

Enclosed are copies of memorandum reports that were not previously provided to your office. Report 01-37(H), Jefferson County Board of Education, deals with timely use of equipment and is somewhat similar to the situation noted in connection with Report 01-21(H), Elmore County Telecommunications Project. We are also recommending controls to better ensure equipment is not obtained substantially prior to other conditions being met.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosures



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Office of the Inspector General

June 1, 2001

Mr. Larry Watts
Executive Director
Birmingham Regional Planning Commission
2112 11th Avenue, South
Birmingham, Alabama 35205


Re: OIG Report 01-40 (H)
Grant No. AL-13143

Dear Mr. Watts::

Enclosed is a copy of our report dealing with a grant to establish a planning and design center for the execution of regional strategic plans. The report is considered closed and the cooperation and courtesies afforded the auditor were appreciated.

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

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure