



# Office of Inspector General

Appalachian Regional Commission

## Semiannual Report to Congress

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April 1, 2024 – September 30, 2024

Appalachian Regional Commission  
Office of Inspector General  
1666 Connecticut Avenue, Suite 718  
Washington, D.C. 20009



Appalachian  
Regional  
Commission

## Office of the Federal Co-Chair

November 21, 2024

This letter transmits the Appalachian Regional Commission's Inspector General's Semiannual Report to Congress for the period April 1, 2024, through September 30, 2024. As required by section 405(c) of the Inspector General Act of 1978, as amended, we are also submitting statistical tables as an attachment to this letter.

The Commission appreciates the Inspector General's efforts to ensure the effectiveness, efficiency, and integrity of our operations.

If you or your staff have any questions about this report, please contact me at (202) 884-7760 or Inspector General Clayton Fox at (202) 884-7685.

Sincerely,

Gayle C. Manchin  
Federal Co-Chair

# Appalachian Regional Commission

## Inspector General Semiannual Report

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## Inspector General Semiannual Report

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### Office of Inspector General

The Appalachian Regional Commission (Commission) established the Office of Inspector General when the *Inspector General Act* (IG Act) was amended in 1988. Our office provides audit, evaluation, inspection, and investigative services covering all Commission programs and operations. Our mission is to promote and preserve the effectiveness, efficiency, and integrity of the Commission. We plan and conduct our activities based on several factors: requirements of laws and regulations, requests from management officials, allegations received from Commission personnel and other sources, and the Inspector General's initiative.

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### Semiannual Report

The IG Act requires each Inspector General to prepare a report twice a year that summarizes the activities of the office. This Semiannual Report covers the period from April 1, 2024, through September 30, 2024. The 17 reporting requirements specified in the IG Act are shown in Appendix A, Table 1 and must be included in the report.

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### Inspector General Reports Issued During This Period

The Inspector General issued 21 reports during this reporting period. Twenty of the reports were audits of grant awards. The grant audits were designed to determine whether the grantee had sound management practices in place to administer the financial and performance aspects of the award. The other report issued was a management report related to a desk review of matching funds.

A complete list of reports issued during this reporting period is provided in Appendix A, Table 2.

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## Inspector General Semiannual Report

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### Summary of Prior Period Reports

#### Management Decisions Made for Recommendations Issued in Prior Periods

At the beginning of this reporting period, the Commission had provided management decisions for all but two recommendations from one final report we issued in prior periods. Management decisions for these two recommendations were made during the current reporting period. Summary information related to the management decisions received is provided in Appendix A, Table 3.

#### Unimplemented Recommendations From Prior Periods and Potential Cost Savings

At the beginning of this reporting period, the Commission had eleven recommendations from five previous reports without final action. Ten recommendations from four of those reports are still awaiting final action.

A complete list of unimplemented recommendations from prior periods, including any potential cost savings is provided in Appendix A, Table 6.

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### Description of Significant Problems, Abuses, or Deficiencies

The Inspector General has the discretion to determine if the results of an audit, inspection, evaluation, or other report are significant to the administration and operations of the Commission. In making this determination, the Inspector General considers quantitative and qualitative factors, such as the nature of the problem or deficiency, potential monetary impacts, and materiality as it relates to the integrity of the Commission's programs and operations.

The Inspector General did not identify any problems, abuses, or deficiencies that rose to this level of significance during this reporting period.

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### Hotline and Investigations

#### Investigations and Inquiries: Overview

One of our functions is to conduct investigations and inquiries of criminal, civil, and administrative wrongdoing involving Commission programs, operations, and personnel. We may investigate possible violations of criminal law, of regulations on employee

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responsibilities and conduct, and of other statutes and regulations covering Commission activities.

Our office reviews and analyzes each complaint received to decide the appropriate course of action and, if appropriate, conducts a preliminary inquiry. If the information we find during the preliminary inquiry indicates that a full investigation is appropriate, we will launch an investigation.

### **OIG Hotline Contacts**

Our office maintains a hotline for reporting information about suspected waste, fraud, abuse, or mismanagement involving Commission programs or operations. The information may come to us in person; by telephone, fax, email, or mail; or through a web-based form. When requested, we will endeavor to keep a provider's identity confidential. Complaints may also be made anonymously.

We receive complaints from employees, contractors, grantees, and the public that involve the Commission's areas of responsibility. We examine these complaints to determine whether there is any indication of wrongdoing or misconduct by grantees or the Commission. If the complaint does not relate to the Commission or its grantees, we refer the complaint to the appropriate entity for action. If the complaint does not have merit, we close the matter.

### **Investigations Closed During the Reporting Period**

The Office of Inspector General did not close any significant investigations during this reporting period.

### **Summary of Matters Referred to Prosecuting Authorities**

The Office of Inspector General did not refer any matters to prosecuting authorities during this reporting period.

### **Investigations with Substantiated Allegations Involving Senior Government Employees**

The Office of Inspector General did not issue any investigative reports that substantiated allegations involving senior government employees.

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### Summary of Reports Not Disclosed to the Public

#### Audits and Other Reports to Management

The Office of Inspector General did not issue any inspections, evaluations, or audits that were not disclosed to the public during this reporting period.

#### Investigations

The Office of Inspector General did not issue any investigative reports that were not disclosed to the public during this reporting period.

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### External Oversight Reviews

The Commission's administrative operations and programs are from time-to-time reviewed by Federal oversight entities external to the Commission, such as the Government Accountability Office and Office of Government Ethics.

The Commission did not receive any reports from an external oversight entity during this reporting period and had no outstanding recommendations from prior periods.

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### Assistance to or From Other Offices of Inspector General

Section 406(a)(3) of the Inspector General Act of 1978, as amended, gives the Inspector General the authority to obtain assistance from any other Federal agency to carry out the duties and responsibilities assigned by the Act. We currently have three Memorandums of Understanding with other Inspectors General.

We have two Memorandums of Understanding with the Office of Inspector General of the International Trade Commission for technical assistance and legal support. We also continued our Memorandum of Understanding with the Inspector General of the Federal Maritime Commission to provide investigative support services.



# **Appalachian Regional Commission**

## **Inspector General Semiannual Report**

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### **Congressional Activities**

In March 2024, the Inspector General received a Congressional request from Senator Charles Grassley to review all nondisclosure policies, forms, agreements, and related documents specific to our agency to ensure the anti-gag provision is included as required by law. After reviewing the agency's nondisclosure policies, forms, agreements, and related documents, we determined that the Commission is compliant with the anti-gag provision. The Inspector General provided a response to Senator Grassley on April 11, 2024.

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### **Council of the Inspectors General on Integrity and Efficiency**

The Inspector General and staff actively participated in meetings and supported the efforts of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and its committees.

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### **Federal Financial Management Improvement Act Reporting**

The IG Act and the Federal Financial Management Improvement Act of 1996 (FFMIA) require the inspectors general of certain agencies to report "instances and reasons" when the agency has not met intermediate target dates established in a remediation plan to bring the agency's financial management system into substantial compliance with the FFMIA. The Commission is not subject to the FFMIA; however, it voluntarily seeks to comply with most of its requirements. During this reporting period, there were no events that gave rise to a duty to report under FFMIA.

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### **Peer Reviews**

Our office had a modified peer review report completed of our audit function by the Denali Commission's Office of Inspector General. The report was issued on July 30, 2024, and determined the established policies and procedures for the audit function were current and consistent with applicable professional standards. The report did not contain any recommendations. The modified peer review report is provided in its entirety in Appendix C.

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The next peer review of our audit function will be conducted in accordance with the schedule set by the Council of Inspectors General on Integrity and Efficiency.

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# Appalachian Regional Commission

## Appendix A: Inspector General's Tables

Table 1: Reporting Requirements Index

The table below identifies the 17 reporting requirements from the IG Act that must be included in the semiannual report along with the corresponding page number of where the information can be found in this report.

Reporting Requirements Index		
IG Act Section	Description	Page
404(a)(2)	Review of Legislation	None
405(b)(1)	Description of Significant Problems, Abuses, and Deficiencies	2
405(b)(2)	Recommendations from Prior Periods and Potential Cost Savings	2, A-7
405(b)(3)	Summary of Significant Investigations Closed this Period	None
405(b)(4)	Total Number of Convictions from Investigations this Period	None
405(b)(5)	Each Report Issued During This Reporting Period	A-2
405(b)(6)	Management Decisions Made This Reporting Period for Recommendations Issued in Prior Reports	2, A-3
405(b)(7)	Information Described Under Section 804(b) of FFMIA	5
405(b)(8)	Results of Peer Review Completed During This Period or Date of Last Peer Review	5
405(b)(9)	Outstanding Recommendations from Peer Review	None
405(b)(10)	Peer Reviews Conducted of Another Office of Inspector General During This Period	None
405(b)(11)	Statistical Table: Investigative Reports	A-10
405(b)(12)	Description of the Metrics Used for Developing Investigative Statistics	A-10
405(b)(13)	Investigations With Substantiated Misconduct Allegations Involving Senior Government Employees	None
405(b)(14)	Description of Any Whistleblower Retaliation	None
405(b)(15)	Description of Attempts to Interfere with Inspector General Independence	None
405(b)(16)	Summary of Reports Not Disclosed to the Public	None

# Appalachian Regional Commission

## Appendix A: Inspector General's Tables

**Table 2: Inspector General Reports Issued During this Reporting Period**

The table below provides a list of each report issued by the Inspector General during this reporting period. For each report, we provide the number of recommendations issued and the number of management decisions received. The table also includes the amount of questioned costs, unsupported costs, and funds that could be put to better use. Each report can be viewed in its entirety on <https://www.oversight.gov/reports>.

Reports Issued During this Reporting Period							
Report Number	Report Title	Date Issued	# of Recs.	Mgt. Decisions	Questioned Costs	Unsupported Costs	Funds Put to Better Use
24-20	Board of County Commissioners Garrett County	4/15/2024	0	0	\$0	\$0	\$0
24-21	East Tennessee State University	4/25/2024	4	4	\$424	\$424	\$0
24-22	B.C. Corp, DBA Build Carolina	4/29/2024	0	0	\$0	\$0	\$0
24-23	Pikeville Medical Center, Inc.	5/10/2024	0	0	\$0	\$0	\$0
24-24	East Mississippi Community College	5/23/2024	0	0	\$0	\$0	\$0
24-25	The Center for Rural Development	5/23/2024	6	6	\$251,101	\$251,101	\$0
24-26	Management Report - Desk Review of Matching Funds	5/23/2024	2	2	\$2,858,000	\$2,858,000	\$0
24-27	City of Holly Springs	6/6/2024	3	3	\$7,935	\$7,935	\$0
24-28	Buckeye Hills Regional Council	6/6/2024	0	0	\$0	\$0	\$0
24-29	Lackawanna College	6/6/2024	0	0	\$0	\$0	\$0
24-30	AL Department of Economic & Community Affairs	6/6/2024	0	0	\$0	\$0	\$0
24-31	Tri-County Technical College	6/20/2024	0	0	\$0	\$0	\$0
24-32	Infinity Visual and Performing Arts, Inc.	6/20/2024	4	4	\$77,739	\$77,739	\$0
24-33	Upper Cumberland Development District	7/8/2024	3	3	\$1,700,941	\$1,700,941	\$0
24-34	Christian Appalachian Project, Inc.	7/10/2024	0	0	\$0	\$0	\$0
24-35	Northwest PA Regional Planning & Development Commission	7/10/2024	0	0	\$0	\$0	\$0
24-36	Northern Tier Regional Planning & Development Commission	7/29/2024	0	0	\$0	\$0	\$0
24-37	Northeastern PA Alliance	8/23/2024	0	0	\$0	\$0	\$0
24-38	Mountain Association	8/28/2024	0	0	\$0	\$0	\$0
24-39	High Point Academy	8/29/2024	5	5	\$18,405	\$18,405	\$0
24-40	Southern Highlands Community Mental Health Center, Inc.	9/9/2024	5	0	\$27,386	\$27,386	\$0
<b>Totals</b>			<b>32</b>	<b>27</b>	<b>\$4,941,931</b>	<b>\$4,941,931</b>	<b>\$0</b>

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Appendix A: Inspector General’s Tables

Table 3: Management Decisions Made for Recommendations from Prior Periods

This table identifies the reports with recommendations issued in previous reporting periods, where the management decision was received during this reporting period.

Management Decisions Made for Recommendations from Prior Periods					
Report Number	Title	# of Recs.	Mgt. Decisions Made During Prior Periods	Mgt. Decisions Made During This Period	Potential Cost Savings
24-17	Marshall University	8	6	2	\$399,003
Totals		8	6	2	\$399,003

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Table 4: Recommendations with Questioned Costs and Final Action Completed

The table below identifies recommendations with questioned costs where final action was completed during this reporting period. The information in the table is subdivided to distinguish between recommendations issued during this reporting period and recommendations issued in prior reporting periods. The table includes the amount of questioned costs identified in the audit report.

Recommendations with Questioned Costs with Final Action Completed			
Reports Issued During this Reporting Period			
Report Number	Rec. Number	Title	Questioned Costs
24-33	24-33-02	Upper Cumberland Development District	\$1,700,941
Subtotal			\$1,700,941
Reports Issued In Prior Reporting Periods			
Report Number	Rec. Number	Title	Questioned Costs
23-20	23-20-02	The Consortium for Entrepreneurship Education	\$40,522
23-20	23-20-04	The Consortium for Entrepreneurship Education	\$114,765
Subtotal			\$155,287
Total			\$1,856,228

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**Table 5: Recommendations Without Final Action – Reports Issued This Period**

The table below identifies recommendations from reports issued during this reporting period where final action had not been completed. The table includes the recommendation number and any potential cost savings.

Recommendations Without Final Action Completed				
Reports Issued During this Reporting Period				
	Report Number	Rec. Number	Recommendation	Potential Cost Savings
1	24-21	24-21-01	The Grantee improve policies and procedures to ensure financial information is accurately reported to ARC including a process for determining whether requests for funds are reimbursements or advances and ensuring costs are not duplicated in between reporting periods.	\$0
2	24-21	24-21-02	The Grantee work with ARC management to resolve the questioned cost of \$424 in non-ARC match funds.	\$424
3	24-21	24-21-03	The Grantee improve policies and procedures for subrecipients to establish considerations for assigning a PI for subawards including the PI to be independent from the subrecipient organization, define minimum subrecipient monitoring requirements, and provide for secondary review of PI monitoring activities.	\$0
4	24-21	24-21-04	We recommend the Grantee develop policies and procedures to ensure performance progress reports are submitted to ARC no later than 30 days after the close of a reporting period.	\$0
5	24-25	24-25-01	The Grantee work with ARC to resolve the questioned costs totaling \$4,151 under Grant No. KY-18984 (Phase 3) ARC funded Contractual cost.	\$4,151
6	24-25	24-25-02	The Grantee implement process to ensure indirect costs are calculated in accordance with the Uniform Guidance and the Nonprofit Rate Agreement (NICRA).	\$0
7	24-25	24-25-03	The Grantee work with ARC to resolve the questioned costs totaling \$8,960 for ARC funded indirect costs and \$27,579 for non-ARC unrecovered indirect costs.	\$36,539
8	24-25	24-25-04	The Grantee revise its policies and procedures to ensure that costs claimed are adequately supported by source documents in accordance with the regulations.	\$0
9	24-25	24-25-05	The Grantee work with ARC to resolve the questioned costs totaling \$181,905 for non-ARC matching contractual costs under ARC Grant No. KY-18732 (Phase 2).	\$181,905
10	24-25	24-25-06	The Grantee work with ARC to resolve the total questioned costs in the amount of \$28,506 for unrecovered indirect costs claimed as non-ARC match funds.	\$28,506
11	24-26	24-26-01	We recommend the Grantee work with ARC to resolve the questioned costs totaling \$2,000,000 for non-ARC match costs under Grant No. KY-18731 (Phase 2).	\$2,000,000
12	24-26	24-26-02	We recommend the Grantee work with ARC to resolve the questioned costs totaling \$858,000 for non-ARC match costs under Grant No. KY-18983 (Phase 3).	\$858,000
13	24-27	24-27-01	The Grantee revise its policies and procedures to ensure that costs claimed are adequately supported by source documents in accordance with the regulations.	\$0
14	24-27	24-27-02	The Grantee revise the BAMR Form to exclude total questioned cost in the amount of \$7,935 from the total non-Federal match funds.	\$7,935
15	24-27	24-27-03	The Grantee revise the BAMR Form to accurately reflect the number of businesses improved to date based on completed construction and provide the likelihood of meeting the original targets for outputs and outcomes with the expected date of completion.	\$0
16	24-32	24-32-01	Work with ARC to resolve the questioned costs totaling \$5,000 for ARC funded personnel costs.	\$5,000

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17	24-32	24-32-02	Work with ARC to resolve the questioned costs totaling \$17,383 for ARC funded equipment costs.	\$17,383
18	24-32	24-32-03	Work with ARC to resolve the questioned costs totaling \$14,956 for non-ARC match personnel costs.	\$14,956
19	24-32	24-32-04	Work with ARC to resolve the questioned costs totaling \$40,400 for non-ARC match other in-kind costs.	\$40,400
20	24-39	24-39-01	We recommend that the Grantee work with ARC to refund the questioned unexpended amount of \$18,405.	\$18,405
21	24-39	24-39-02	We also recommend that the Grantee develop and implement effective financial and grants management policies, to ensure that grant expenditures are properly recorded and reported; and that any errors are identified and corrected in a timely manner.	\$0
22	24-39	24-39-03	We recommend that the Grantee implement its accounts payable policy of ensuring that invoices are properly reviewed for propriety, and verified before authorizing payment to vendors.	\$0
23	24-39	24-39-04	We recommend that the Grantee develop and implement effective financial, reporting, and grants management policies; to ensure that proper reporting of the final status of grants is made to ARC, and that any errors on reports are identified and corrected in a timely manner.	\$0
24	24-39	24-39-05	We also recommend that the Grantee take action to correct the error on the SF-270 and resubmit the form to ARC.	\$0
25	24-40	24-40-01	Work with ARC to resolve the questioned cost totaling \$20,083 for ARC funded personnel cost.	\$20,083
26	24-40	24-40-02	Revise policies and procedures to ensure payments made with federal funds are allowable in accordance with the grant agreements terms and requirements of the Uniform Guidance.	\$0
27	24-40	24-40-03	Work with ARC to resolve the questioned cost totaling \$2,565 for unsupported non-ARC Other (in-kind) match costs.	\$2,565
28	24-40	24-40-04	Work with ARC to resolve the questioned cost totaling \$4,738 for unsupported non-ARC Personnel match cost.	\$4,738
29	24-40	24-40-05	Revise policies and procedures to perform quality control reviews of expenses incurred to ensure match costs reported to ARC are accurately reflected and fully supported by documentation in accordance with the grant agreement terms and the Uniform Guidance.	\$0
Subtotal				\$3,240,990



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Table 6: Recommendations Without Final Action – Reports Issued in Prior Periods

The table below identifies recommendations from reports issued in prior reporting periods where final action had not been completed. The table includes the recommendation number and any potential cost savings.

Recommendations Without Final Action Completed				
Reports Issued In Prior Reporting Periods				
	Report Number	Rec. Number	Recommendation	Potential Cost Savings
1	24-01	24-01-01	We recommend the grantee update the Basic Agency Monitoring Report (BAMR) and ARC Basic Agency Closeout Summary to exclude the unsupported non-ARC matching funds in the amount of \$28,798.	\$28,798
2	24-01	24-01-02	We recommend the grantee reimburse ARC in the amount of \$91,573 for the costs lacking evidence of procurement and cost reasonableness.	\$91,573
3	24-03	24-03-01	We recommend that the grantee reimburse ARC in the amount of \$1,517 for ARC funded travel costs not approved by ARC.	\$1,517
4	24-03	24-03-02	We recommend that the grantee revise the SF-270 to exclude the total questioned costs in the amount of \$1,517 from the total ARC funds and \$1,216 from the total non-ARC match funds.	\$1,216
5	24-03	24-03-03	We recommend that the grantee revise the ARC Reimbursement and Payment Advance Request Worksheet to correct the misclassified ARC funded and non-ARC match Contractual costs reported.	\$0
6	24-11	24-11-01	We recommend the Grantee work with ARC management to resolve the questioned costs of \$4,500 in non-ARC match funds.	\$4,500
7	24-11	24-11-02	We recommend the Grantee develop policies and procedures to ensure that costs claimed and reported to ARC are allowable under Federal regulations and the ARC Grant Agreement.	\$0
8	24-17	24-17-05	We recommend that the Grantee works with ARC to resolve the \$59,400 of questioned costs including applicable indirect costs, related to the unallowable costs from the duplicate matching charge.	\$59,400
9	24-17	24-17-07	We recommend that the Grantee establish procedures to ensure written approvals are obtained from the awarding agency prior to issuing a subaward to any partner that is not included in the grant agreement.	\$0
10	24-17	24-17-08	We recommend that the Grantee works with ARC to resolve the \$339,603 of questioned costs, including applicable indirect costs, related to the unapproved subawards.	\$339,603
Subtotal				\$526,607
Total				\$3,767,597

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**Table 7: Status of Reports Issued with Final Action Completed**

The table below provides a list of each report with final action completed during this reporting period. The information is subdivided by final action completed for reports issued during this period and reports issued in prior reporting periods.

Status of Reports Issued with Final Action Completed					
This Reporting Period					
	Report Title	# of Recs.	Mgt. Decisions	Decisions IG Disagrees With	Final Action Complete
1	Board of County Commissioners Garrett County, 24-20	0	0	0	0
2	B.C. Corp, DBA Build Carolina, 24-22	0	0	0	0
3	Pikeville Medical Center, Inc., 24-23	0	0	0	0
4	East Mississippi Community College, 24-24	0	0	0	0
5	Buckeye Hills Regional Council, 24-28	0	0	0	0
6	Lackawanna College, 24-29	0	0	0	0
7	AL Department of Economic & Community Affairs, 24-30	0	0	0	0
8	Tri-County Technical College, 24-31	0	0	0	0
9	Upper Cumberland Development District, 24-33	3	3	0	3
10	Christian Appalachian Project, Inc., 24-34	0	0	0	0
11	Northwest PA Regional Planning & Development Commission, 24-35	0	0	0	0
12	Northern Tier Regional Planning & Development Commission, 24-36	0	0	0	0
13	Northeastern PA Alliance, 24-37	0	0	0	0
14	Mountain Association, 24-38	0	0	0	0
<b>Totals</b>		<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>
Prior Reporting Periods					
	Report Title	# of Recs.	Mgt. Decisions	Final Action Complete Prior Period	Final Action Complete This Period
1	Pike County Fiscal Court, 23-13	1	1	0	1
2	The Consortium for Entrepreneurship Education, 23-20	7	7	4	3
3	Noble Local School District, 24-04	1	1	0	1
<b>Totals</b>		<b>9</b>	<b>9</b>	<b>4</b>	<b>5</b>

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## Appendix A: Inspector General's Tables

Table 8: Status of Reports Issued Without Final Action

This table provides the status of reports with recommendations where final action has not been completed. The information is subdivided by reports issued during this reporting period and reports issued in prior reporting periods.

Status of Reports Issued Without Final Action						
This Reporting Period						
	Report Title	# of Recs.	Mgt. Decisions	Decisions IG Disagrees With	Final Action Complete	Final Action Not Complete
1	East Tennessee State University, 24-21	4	4	0	0	4
2	The Center for Rural Development, 24-25	6	6	0	0	6
3	Management Report - Desk Review of Matching Funds, 24-26	2	2	0	0	2
4	City of Holly Springs, 24-27	3	3	0	0	3
5	Infinity Visual and Performing Arts, Inc., 24-32	4	4	0	0	4
6	High Point Academy, 24-39	5	5	0	0	5
7	Southern Highlands Community Mental Health Center, Inc., 24-40	5	0	0	0	5
Totals		29	24	0	0	29
Prior Reporting Periods						
	Report Title	# of Recs.	Mgt. Decisions	Final Action Complete Prior Periods	Final Action Complete This Period	Final Action Not Complete
1	New River Valley Regional Commission, 24-01	2	2	0	0	2
2	University of Alabama Center for Economic Development, 24-03	3	3	0	0	3
3	Town of Blacksburg, 24-11	2	2	0	0	2
4	Marshall University, 24-17	8	8	5	0	3
Totals		15	15	5	0	10

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## Appendix A: Inspector General's Tables

Table 9: Statistical Table of Investigative Reports

The table below provides statistical information related to investigative reports issued during the reporting period.

Statistical Table of Investigative Reports	
Description	Count
Number of investigative reports issued	0
Number of persons referred to DOJ for criminal prosecution	0
Number of persons referred to state and local authorities for criminal prosecution	0
Number of indictments and criminal information resulting from any prior referrals to prosecuting authorities.	0
Number of convictions during the reporting period resulting from investigations	0
The information in this table is derived from the Office of Inspector General's investigation reports.	

# Appalachian Regional Commission

## Appendix B: Commissioner's Statistical Tables

Table A: Management Decisions Made for Recommendations from Prior Periods

The table below identifies each report issued during prior reporting periods in which management decisions were made during this reporting period, along with the amount of questioned costs and funds put to better use. The allowability of questioned costs is determined through the management decision process and is not reported until final action has been completed.

At the commencement of this reporting period, the Commission had made management decisions for all but two recommendations for one report issued in prior reporting periods.

Management Decisions Made for Recommendations from Prior Periods					
	Report Number	Prior Period Recommendations without Management Decisions	Management Decisions Made in This Period	Questioned Costs	Funds Put to Better Use
1	24-17	2	2	\$339,603	\$0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>\$339,603</b>	<b>\$0</b>

Table B: Recommendations with Final Action Completed During this Reporting Period

The table below provides statistical information on the recommendations with questioned costs where final action was completed during this reporting period. The table provides the total dollar value of the allowed costs and disallowed costs for the reporting period.

Recommendations with Final Action Completed During this Reporting Period		
Description	Total	Dollar Value
Recommendations with Final Action Completed	3	\$1,856,228
• Dollar value of allowed costs (ARC)		\$1,849,538
• Dollar value of disallowed costs, recovered by management.		\$6,690
• Dollar value of disallowed costs written off by management.		\$0
• Dollar value of disallowed costs from this reporting period, not yet recovered.		\$0
• Dollar value of disallowed costs from prior reporting periods, not yet recovered.		\$150,000
Recommendations that management has subsequently concluded should not or could not be implemented or completed.	0	\$0

# Appalachian Regional Commission

## Appendix B: Commissioner's Statistical Tables

Table C: Status of Reports with Questioned Costs

The tables below provide statistical information related to reports with questioned costs. The first table identifies the number of reports with questioned costs for both prior periods and the current period. The second table describes the status of those reports with questioned costs and funds to be put to better use. The table details the total dollar value of allowed costs, disallowed costs, and funds to be put to better use as identified in the management decision. In cases where a management decision has not been received, the dollar value shown is the amount identified in the report.

Reports with Questioned Costs			
Description	Number of Reports	Questioned Costs	Funds Put to Better Use
Prior period reports with questioned costs at the beginning of the reporting period	5	\$681,894	\$0
Reports issued this period with questioned costs	8	\$4,941,931	\$0
<b>Total Reports with Questioned Costs</b>	<b>13</b>	<b>\$5,623,825</b>	<b>\$0</b>

Status of Reports with Questioned Costs					
Description	Number of Reports	Questioned Costs	Allowed Costs <sup>1</sup>	Disallowed Costs	Funds Put to Better Use
Prior period reports with final action completed during this reporting period	1	\$155,287	\$148,597	\$6,690	\$0
Reports issued during this reporting period with final action completed	1	\$1,700,941	\$1,700,941	\$0	\$0
Reports without final action completed	11	\$3,767,597			\$0
<b>Totals</b>	<b>13</b>	<b>\$5,623,825</b>	<b>\$1,849,538</b>	<b>\$6,690</b>	<b>\$0</b>

<sup>1</sup> Allowed costs include questioned costs identified at the time of audit that were resolved by correcting errors on financial reports submitted to ARC. These costs are typically related to matching requirements and in-kind contributions and do not require a recovery by ARC.

Appalachian Regional Commission

Appendix B: Commissioner’s Statistical Tables

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Table D: Prior Year Management Decisions Without Final Action

The table below identifies each report from prior periods, where management decisions were made in the preceding year, but final action has not been taken.

The Commission has completed final action on all management decisions made in the preceding year.

Prior Year Management Decisions Without Final Action				
Report	Date Issued	Disallowed Costs	Funds Put to Better Use	Reason Final Action has Not Been Taken
N/A	-	-	-	-

# Appalachian Regional Commission

## Appendix C: OIG Modified Peer Review Report 2024

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INSPECTOR GENERAL

DENALI COMMISSION  
OFFICE OF INSPECTOR GENERAL  
ANCHORAGE, ALASKA 99501

### Modified Peer Review Report

July 30, 2024

Clayton Fox, Inspector General  
Appalachian Regional Commission  
Office of Inspector General  
1666 Connecticut Avenue, NW, Suite 700  
Washington, DC 20009-1068

We reviewed established policies and procedures for the audit function of the Appalachian Regional Commission Office of Inspector General (ARC OIG) in effect at March 31, 2024. Established policies and procedures are one of the components of a system of quality control to provide ARC OIG with reasonable assurance of conforming with applicable professional standards. The components of a system of quality control are described in the Government Auditing Standards.

Based on our review, the established policies and procedures for the audit function at March 31, 2024, were current and consistent with applicable professional standards as stated. During the period reviewed of April 1, 2021, through March 31, 2024, the audit function of ARC OIG did not perform any GAGAS engagements.

In addition to reviewing established policies and procedures for the audit function of ARC OIG, we applied certain limited procedures in accordance with guidance established by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General related to ARC OIG's monitoring of GAGAS engagements performed by Independent Public Accountants (IPAs) under contract where the IPA served as the auditor.

It should be noted that monitoring of GAGAS engagements performed by IPAs is not an audit; therefore, it is not subject to the requirements of Government Auditing Standards. The purpose of our limited procedures was to determine whether ARC OIG had adequate controls in place to ensure that IPAs performed contracted work in accordance with professional standards. However, our objective was not to express an opinion; accordingly, we do not express an opinion on ARC OIG's monitoring of work performed by IPAs. Based on the results of our review, we determined that the ARC OIG had adequate controls in place to ensure that the IPAs performed contracted work in accordance with professional standards.



# Appalachian Regional Commission

## Appendix C: OIG Modified Peer Review Report 2024

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DENALI COMMISSION  
OFFICE OF INSPECTOR GENERAL  
ANCHORAGE, ALASKA 99501

Our review was conducted in accordance with the CIGIE Guide for Conducting Peer Reviews of Audit Organizations of Federal Offices of Inspector General for assessing established audit policies and procedures.

During our review, we (1) obtained an understanding of the nature of the ARC OIG's audit function and (2) assessed established audit policies and procedures for ARC OIG's IPA monitoring process. We reviewed the following IPA monitoring projects:

1. Financial Statement Audit Fiscal Year 2023, Monitoring Engagement IG-24-02; and
2. Audit of Grant Award to Marshall University, Monitoring Engagement 24-17.

**RODERICK** Digitally signed by  
**FILLINGER** RODERICK FILLINGER  
Date: 2024.07.30  
17:15:22 -04'00'

Roderick H. Fillinger  
Inspector General

# Appalachian Regional Commission

## Appendix C: OIG Modified Peer Review Report 2024

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### Office of Inspector General

Appalachian Regional Commission

July 30, 2024

Roderick H. Fillinger  
Inspector General  
Denali Commission  
550 W 7<sup>th</sup> Avenue, Suite 1230  
Anchorage, AK 99501

Inspector General Fillinger:

Thank you for providing the opportunity to respond to the Draft Modified Peer Review Report for the Appalachian Regional Commission, Office of Inspector General. Your report concluded that the established policies and procedures for the audit function of our office were current and consistent with applicable standards. We concur with your conclusion.

We appreciate the professionalism of your staff in their conduct of this review.

Sincerely,

Clayton Fox  
Inspector General