



December 17, 2015

TO: William Basl
Director, AmeriCorps*State and National

Dana Bourne
Chief Grants Officer

FROM: Stuart Axenfeld /s/
Assistant Inspector General for Audit

SUBJECT: OIG Report 16-06, *Audit of Corporation for National and Community Service Grants Awarded to the Student Conservation Association (SCA)*

Attached is the final report for the above-noted engagement. This audit was conducted by Kearney & Company in accordance with auditing standards established by the American Institute of Certified Public Accountants and *Government Auditing Standards*, issued by the Comptroller General of the United States.

Under the Corporation's audit resolution policy, a final management decision on the findings and recommendations in this report is due by June 14, 2016. Notice of final action is due by December 16, 2016.

If you have questions pertaining to this report, please contact me at S.Axenfeld@cncsoig.gov , (202) 606-9360, or Rick Samson, Audit Manager, at R.Samson@cncsoig.gov, (202) 606-9380.

Attachment

cc: Dale Penny, SCA President and Chief Executive Officer
Aimee Dobrzeniecki, SCA, Chief Financial Officer
Sharon Mezzack, SCA, Controller
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Gretchen Berger Wabuti, Executive Director, Volunteer NH
Linda Cohen, Executive Director, New York Commission
Renee Bade, Grants Officer, Serve Idaho
Emily Haber, Chief Executive Officer, Massachusetts Service Alliance
David Zavada, Kearney & Company, Partner

Office of Inspector General Corporation for National and Community Service

PERFORMANCE AUDIT OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE GRANTS AWARDED TO THE STUDENT CONSERVATION ASSOCIATION

OIG REPORT 16-06



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

Prepared by:

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This report was issued to Corporation management on December 17, 2015. Under the laws and regulations governing audit follow-up, the Corporation is to make final management decisions on the report's findings and recommendations no later than June 14, 2016 and complete its corrective actions by December 16, 2016. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

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INDEPENDENT ACCOUNTANT'S PERFORMANCE AUDIT REPORT

To the Inspector General of the Corporation for National and Community Service

Kearney & Company, P.C. (Kearney), has performed an audit of grant cost and compliance testing of the Corporation for National and Community Service's (the Corporation) funded Federal assistance provided to the Student Conservation Association (SCA). This performance audit, conducted under Contract No. CNSIG-Q-14-0004, was designed to meet the objective identified in the "Performance Audit Scope" section of the report.

Kearney conducted this performance audit from September 2014 through September 2015 in accordance with *Government Auditing Standards*, 2011 Revision, issued by the Comptroller General of the United States. The purpose of this report is to communicate the results of Kearney's performance audit and our related findings and recommendations.

Kearney appreciates the cooperation provided by the Corporation's personnel during the audit.



Kearney & Company, P.C.
Alexandria, Virginia
December 14, 2015

EXECUTIVE SUMMARY

The Office of Inspector General (OIG) of the Corporation for National and Community Service (the Corporation) contracted with Kearney & Company, P.C. (referred to as “Kearney,” “we,” and “our” in this report) to complete a performance audit to assist the OIG in grant cost and compliance testing of Corporation-funded Federal assistance provided to the Student Conservation Association (SCA).

Kearney questioned the SCA’s claimed Federal share costs of \$3,202 **[Exhibit A]** and match costs of \$920 **[Exhibit A]** as a result of applying audit procedures.¹ Claimed and questioned costs are presented in **Exhibit A: Consolidated Schedule of Claimed and Questioned Costs**, as well as the supporting schedules (**Schedules A and B**). The following is a summary of questioned costs and grant compliance testing results:

- Finding #1: Criminal History Check (CHC) Not Updated – An SCA member started a second term following a break in service of 361 days without a new CHC, as required by Corporation regulations
- Finding #2: Unallowable Travel Cost Charged to Grant – An individual, who was neither an employee of SCA nor a member of the SCA program funded by Grant No. 09ACHNY0010006, incurred costs against that grant.

Participants who successfully complete terms of service under AmeriCorps grants are eligible for education awards and, in some cases, accrued interest awards funded by the Corporation’s National Service Trust. These award amounts are not funded by Corporation grants and, as a result, are not included in claimed costs. When the grant is awarded, the education awards become obligations of the Corporation’s National Service Trust. Wherever Kearney questioned grantee costs related to member service, we also determined whether our findings affected the entitlement of any AmeriCorps member to an education and accrued interest award.

The following is a summary of grant compliance testing results. These results, along with applicable recommendations, are discussed in the Compliance Findings sections (**Schedules C and D**):

- Finding #3: Late National Sex Offender Public Website (NSOPW) Search – For one member, SCA did not complete the NSOPW search until shortly after the member began service
- Finding #4: Member End-of-Term Evaluations Not Completed – SCA could produce no end-of-term evaluations for 62 out of 84 members whose files were reviewed by auditors.

¹ A questioned cost is an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds. A questioned cost may also include a finding that, at the time of testing, includes costs not supported by adequate documentation.

BACKGROUND

Corporation Origin and History

Established in 1993 as an independent Federal agency, the Corporation connects Americans of all ages and backgrounds with opportunities to give back to their communities and nation. In its creation, the Corporation merged the work and staffs of two predecessor agencies, ACTION and the Commission on National and Community Service. The Corporation's core programs include AmeriCorps, Senior Corps, and the Social Innovation Fund (SIF). As the nation's largest grant maker for service and volunteering, the Corporation engages more than 5 million Americans in service, awarding grants to state commissions, non-profit entities, and tribes and territories to assist in the creation of full-time and part-time national and community service programs. Through these grantees, AmeriCorps members perform service to meet educational, human, environmental, and public safety needs throughout the nation. The Corporation is headquartered at 1201 New York Avenue, NW in Washington, D.C., 20525.

SCA's Mission

Since the SCA's founding in 1957, more than 70,000 young people have joined its ranks to provide more than 28 million hours of hands-on service, yielding immediate and lasting effects on our environment. SCA is a non-profit group with a mission to build the next generation of conservation leaders and inspire lifelong stewardship of the environment and communities by engaging young people in hands-on service to the land through service opportunities, outdoor skills, and leadership training. SCA members protect, enhance, and restore national parks, marine sanctuaries, cultural landmarks, and urban green spaces across the United States. They serve year-round in programs lasting anywhere from two weeks to 12 months. Additionally, SCA maintains regional offices in New Hampshire, New York, California, Idaho, Illinois, Pennsylvania, and Texas.

In 2013, more than 4,300 SCA volunteers served 1.6 million hours and set performance records across America. These hours included monitoring 1,039,138 fish and animals, maintaining 1,832 miles of trail, mapping/inventorying 884,015 acres of land, constructing 994,985 feet of trail, and engaging 1,095,656 people throughout the country. In addition, 2013 marked 20 years of partnership between SCA and the Corporation's AmeriCorps program.

SCA funding stems from a variety of sources, including public corporations and foundations, Federal agencies, and individual donations. SCA receives the Corporation's grants through AmeriCorps National Direct, AmeriCorps State, direct funding from the Education Award Program (EAP), and state commissions from the EAP. In 2013, SCA funding from Corporation grants represented 5.5% of all funding sources and 10.2% of all Federal agency funding.

PERFORMANCE AUDIT SCOPE

Kearney was retained by the Corporation's OIG to conduct a performance audit related to Federal assistance funds awarded to the SCA. A performance audit engagement is an audit that provides findings and conclusions based on an evaluation of sufficient, appropriate evidence against criteria. These audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

The engagement covered the two years of financial reports and information preceding the most recent Federal Financial Report (FFR). Auditors focused on financial review of official grantee records, cost allowability, member eligibility, and the Corporation’s grant monitoring and oversight of SCA.

Kearney obtained and documented an understanding of grant processes based on discussions with appropriate personnel and reviews of procedure manuals. Our approach included testing of controls and compliance with applicable laws and regulations. The following table lists the grants awarded to SCA covered by this performance audit.

Grant Number	Program	Grant Period		Performance Audit Period		Total Award
		Start of Grant	End of Grant	Start of Review	End of Review	
09ACHNY0 010006	AmeriCorps State	9/1/2012	12/31/2013	12/31/2011	12/31/2013	\$518,922
09AFHID00 10004	AmeriCorps State	7/1/2009	8/31/2014	8/31/2012	8/31/2014	\$256,202
10EDHNH0 02	AmeriCorps EAP	9/30/2010	9/29/2014	9/30/2012	9/29/2014	\$1,170,000
13AFHMA0 010001	AmeriCorps State	8/1/2013	7/31/2016	8/1/2013	9/30/2014	\$563,420
13AFHNY00 10002	AmeriCorps State	9/1/2013	8/31/2016	9/1/2013	9/30/2014	\$475,000
13EDHNH0 01	AmeriCorps EAP	10/1/2013	9/30/2016	10/1/2013	9/30/2014	\$370,500
13EDHNH0 02	AmeriCorps EAP	7/1/2013	6/30/2016	7/1/2013	9/30/2014	\$1,121,601
13FXHNH0 020001	AmeriCorps (EAS)	1/1/2014	12/31/2016	1/1/2014	9/30/2014	\$323,437
13NDHNH0 02	National Direct	8/1/2013	7/31/2016	8/1/2013	9/30/2014	\$551,072

EXIT CONFERENCE

The contents of this report were discussed with SCA and Corporation representatives at an Exit Conference held on September 4, 2015. Kearney summarized SCA’s comments in the appropriate sections of this report and included those comments, in their entirety, in **Appendix A**.

Exhibit A: Consolidated Schedule of Claimed and Questioned Costs

**Student Conservation Association
 Corporation for National and Community Service Awards
 Consolidated Schedule of Claimed and Questioned Costs**

Grant Number	Program	Total Award	Costs Claimed	Questioned Federal	Questioned Match	Questioned Education Awards	Total Questioned Costs	Reference
13AFHMA0010001	AmeriCorps State	\$563,420	\$264,932	\$2,828	\$920	\$0	\$3,748	Schedule A
09ACHNY0010006	AmeriCorps State	\$518,922	\$478,843	\$374	\$0	\$0	\$374	Schedule B
Total Questioned Costs				\$3,202	\$920	\$0	\$4,122	

Schedule A: Schedule of Claimed and Questioned Costs

**Student Conservation Association
 Corporation for National and Community Service Awards
 Schedule of Claimed and Questioned Costs**

Award No. 13AFHMA0010001	Amount
Claimed Federal Costs	\$264,932
Questioned Federal Costs	\$2,828
Questioned Match Costs	\$920
Total Questioned Costs	\$3,748

Finding #1: Criminal History Check Not Updated

Kearney identified one instance of noncompliance with AmeriCorps requirements; the incident involved failure to conduct a new criminal history check following a member’s break in service of nearly one year. Kearney tested a random sample of 84 member files out of a population of 1,789 to identify any members who served more than one term. If the break in service was greater than the 120 days, Kearney confirmed that a new criminal history check (CHC) was performed, as specified in the Corporation’s regulations. If no new CHC was performed, the grantee had failed to ascertain the member’s present eligibility; therefore, we questioned the costs associated with that member’s service.

Kearney determined that one SCA member in our sample had been enrolled in a prior program year that ended October 10, 2012. The member’s second term started October 6, 2013, which constituted a break in service of 361 days. A new CHC was not performed for the second term, although the break in service exceeded the 120-day period specified in applicable regulations. It appears that this was an oversight by SCA staff. The grantee had not met the precondition for allowing the member to serve the second term; consequently, we question the living allowance and fringe benefits of \$2,828 and match costs of \$920. The member ended service early and did not receive an education award.

Criteria:

45 Code of Federal Regulations (CFR) §2540.204, “When must I conduct a National Service Criminal History Check on a covered position?” Subsection b. states:

“Consecutive terms. If an individual serves consecutive terms of service in a covered position and does not have a break in service that exceeds 120 days, then no additional National Service Criminal History Check is required, as long as the original check is a compliant check for the covered position in which the individual will be serving or working following the break in service. If your program or project is designed with breaks in service over 120 days, but less than 180 days between consecutive terms, you may request approval for a break in service of up to 180 days before a new National Service Criminal History Check is required. Your request must describe the overall program design, explain why the longer period is reasonable, and demonstrate that you have established adequate risk management controls for the extended break in service.”

Recommendations:

Kearney recommends that the Corporation:

- 1a. Calculate and recover the appropriate amount of disallowed cost based on our questioned cost and require SCA to adjust the FFR for the disallowed cost.
- 1b. Ensure SCA members' CHCs are conducted and updated in a timely manner.

SCA's Response:

SCA Management does not dispute the factual circumstances presented in this finding, however, SCA believes that there should be no questioned costs associated with the finding as the instance of noncompliance occurred prior to the National Service Criminal History Check Assessment Period. As noted in the guidance and instructions associated with the Assessment Period, any instances of noncompliance found and corrected during the period of assessment would not result in disallowed costs (with four exceptions, none of which apply to this occurrence).

Although late, an updated Criminal History Check was performed during the member's second term. The member completed that term of service before the commencement of the Assessment Period and therefore, according to the guidance, no additional corrective efforts are required.

Corrective Action Plan: SCA believes that the instance of noncompliance was an isolated occurrence. Additionally, SCA complied with all of the requirements of the NSCHC Assessment Period and updated its procedures accordingly. Consequently, SCA does not believe any additional corrective actions are warranted regarding this finding.

Kearney's Response:

We appreciate SCA's response. The Corporation should ensure that SCA member CHCs are conducted in a timely manner. We continue to recommend the Corporation calculate and recover the disallowed cost based on our questioned cost.

Schedule B: Schedule of Claimed and Questioned Costs

**Student Conservation Association
 Corporation for National and Community Service Awards
 Schedule of Claimed and Questioned Costs**

Award No. 09ACHNY0010006	Amount
Claimed Federal Costs	\$478,843
Questioned Federal Costs	\$374
Questioned Match Costs	\$0
Total Questioned Costs	\$374

Finding #2: Unallowable Travel Cost Charged to Grant

Kearney selected a random sample of 10 transactions for Grant No. 09ACHNY0010006 from SCA’s accounting detail and tested for compliance with the grant agreement terms, Office of Management and Budget (OMB) Circulars, and other applicable laws and regulations. We found that an individual not associated with the identified grant had incurred costs associated with it. Kearney could not locate the person on the Corporation’s Electronic-System for Programs, Agreements, and National Service Participants (eSPAN) roster or on the SCA roster or employee listing.

The Corporation uses its eSPAN application as the central database for TRUST and Participant systems to track AmeriCorps members and education awards. The individual who incurred costs charged to Grant No. 09ACHNY0010006 was not associated with that grant, either under the eSPAN database or on SCA’s roster or employee listing. In fact, that individual served from July 31, 2011 to June 22, 2012 as a member under an unrelated grant (Grant No. 09ACHIL0010003) outside the scope of this audit. SCA provided no justification for charging these costs to Grant No. 09ACHNY0010006. Kearney found no evidence that these costs were properly associated with and allocable to activities funded by this grant; therefore, we questioned the costs incurred by this individual.

Criteria:

The Corporation’s *AmeriCorps Provisions* (2014), Section IV, Point H, Paragraph 1, “Recordkeeping,” states:

“The grantee must maintain records, including the position description, sufficient to establish that each member was eligible to participate and that the member successfully completed all program requirements. A program may store member files electronically and use electronic signatures if the program can ensure the validity and integrity of the record and signature is maintained.”

OMB Circular No. A-133, *Audits of States, Local Governments and Non-Profit Organizations*, Subpart C, "Auditees," Section 300, *Auditee Responsibilities*, states:

"The auditee shall:

* * *

(b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

CFR, Title 2, *Grants and Agreements*, Subtitle A, Chapter II, Appendix A to Part 225, "General Principles for Determining Allowable Costs," Paragraph C states:

- "1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of 2 CFR part 225.
 - c. Be authorized or not prohibited under State or local laws or regulations.
 - d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
 - e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
 - f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
 - g. Except as otherwise provided for in 2 CFR part 225, be determined in accordance with generally accepted accounting principles.
 - h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
 - i. Be the net of all applicable credits.
 - j. Be adequately documented."

Recommendations:

Kearney recommends that the Corporation:

- 2a. Calculate and recover the appropriate amount of disallowed cost based on our questioned cost and require SCA to adjust the FFR for the disallowed cost.
- 2b. Ensure that SCA verifies that allocable costs are charged to Corporation grants.

SCA's Response:

SCA Management does not dispute the factual circumstances presented in this finding. It was determined that the member in question did serve in the program, which was funded by a combination of sources that included Grant No. 09ACHNY0010006. During that period, instead of specifically assigning costs by individual member, SCA allocated costs in groupings amongst the grants funding the program rather than on a transactional level.

Corrective Action Plan: SCA has since amended its procedures to ensure that costs with separate funding sources are accounted for and allocated separately so that only those costs specifically funded by the grant are charged to the grant.

Kearney's Response:

We appreciate SCA's response and suggest that the Corporation verify that the corrective action implemented by the grantee is effective. We recommend that the Corporation recover the questioned costs.

Schedule C: Compliance Finding**Compliance Finding*****Finding #3: Late National Sex Offender Public Website Searches***

Kearney identified an instance of noncompliance with AmeriCorps provisions during our review of controls over the SCA's members' and staff employees' eligibility, specifically regarding the NSOPW search. Kearney tested a sample of 25 staff employees and 84 members to confirm NSOPW search results were dated and conducted prior to the staff employees and members starting service.

During testing, Kearney found an instance in which SCA did not complete the NSOPW search until shortly after the member's start date. It appears that this was an oversight by SCA staff. A member of Grant No. 13NDHNN002 started on February 2, 2015 but did not have the NSOPW search completed until February 4, 2015. Kearney did not question living allowance associated with this member because the amount for two days is insignificant. We did not question the education award because the member met the hour requirement after removing the two days in question.

Criteria:

45 CFR § 2540.204, "When must I conduct a National Service Criminal History Check on an individual in a covered position?" Subsection a. states: "Timing of the National Service Criminal History Check Components. (1) You must conduct and review the results of the nationwide NSOPW check required under §2540.203 before an individual in a covered position begins work or starts service."

Recommendation:

3. Kearney recommends the Corporation ensure that SCA conduct its personnel and members' NSOPW searches before their start of service dates.

SCA's Response:

SCA Management does not dispute the factual circumstances presented in this finding.

Corrective Action Plan: SCA believes that the instance of noncompliance was an isolated occurrence. SCA also believes that its procedures surrounding NSOPW searches are adequate, and as the auditor deemed any potential questioned costs to be insignificant, SCA does not believe any additional corrective actions are warranted regarding this finding.

Kearney's Response:

We reviewed SCA's response and have no additional comments.

Schedule D: Compliance Finding

Compliance Finding

Finding #4: Member End-of-Term Evaluations Were Not Completed in 75% of the Files Reviewed

Kearney selected a sample of 84 members across all grants for member eligibility testing. We tested to determine if end-of-term evaluations of performance were conducted for each member. Kearney requested all the end-of-term evaluation to validate controls over member separations. In 75% of the cases (i.e., 62 out of the 84 in our sample), the end-of-term evaluations were absent. There is no evidence that the grantee completed those evaluations, as follows:

Grant	Number of Members with Missing Forms
# 09ACHNY0010006	7
# 09AFHID0010004	7
# 10EDHNNH002	10
# 13AFHMA0010001	4
# 13AFHNY0010002	8
# 13EDHNNH001	5
# 13EDHNNH002	11
# 13FXHNNH0020001	7
# 13NDHNNH002	3

The end-of-term evaluations are a critical memorialization as to whether a member completed his/her term of service and whether that service was successful or unsuccessful. Such a record may be necessary for purposes of determining the member’s eligibility for an education award or for an additional term of service in AmeriCorps. Such records as a missing evaluation from the first term could mean that the member is ineligible to serve a second term; therefore, end-of-term forms should be kept on file by SCA. SCA did not have the documentation requested or did not have it readily available at the time of the audit.

Criteria:

45 CFR § 2522.220, “What are the required terms of service for AmeriCorps participants?,” Subsection c. states:

“Participant evaluation. For the purposes of determining a participant's eligibility for an educational award as described in § 2522.240(a) and eligibility to serve a second or additional term of service as described in paragraph (c) of this section, each AmeriCorps grantee is responsible for conducting a mid-term and end-of-term evaluation. A mid-term evaluation is not required for a participant who is released early from a term of service or in other circumstances as approved by the Corporation. The end-of-term evaluation should consist of:

- (1) A determination of whether the participant:

- (i) Successfully completed the required term of service described in paragraph (a) of this section, making the participant eligible for an educational award as described in § 2522.240(a);
 - (ii) Was released from service for compelling personal circumstances, making the participant eligible for a pro-rated educational award as described in § 2522.230(a)(2); or
 - (iii) Was released from service for cause, making the participant ineligible to receive an educational award for that term of service as described in § 2522.230(b)(3); and
- (2) A participant performance and conduct review to determine whether the participant's service was satisfactory, which will assess whether the participant:
- (i) Has satisfactorily completed assignments, tasks, or projects, or, for those participants released from service early, whether the participant made a satisfactory effort to complete those assignments, tasks, or projects that the participant could reasonably have addressed in the time the participant served; and
 - (ii) Has met any other criteria which had been clearly communicated both orally and in writing at the beginning of the term of service.”

45 CFR §2543.53, *Retention and access requirements for records*, states:

“(b) Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency.”

Recommendations:

- 4a. Kearney recommends that the Corporation monitor SCA to verify end-of-term evaluations are completed and maintained on file.
- 4b. Additionally, we recommend that the Corporation determine whether any of the tested members served a second term and, if so, disallow the associated costs for the second term.

SCA's Response:

SCA Management disputes the factual circumstances presented in this finding. SCA maintains its end-of-term evaluations electronically. SCA staff provided the auditors access to the necessary files during the fieldwork period. Subsequent to the audit team's work at SCA's New Hampshire office and at the time when the draft NFRs were submitted to SCA, it was communicated to SCA Management that the auditors had difficulties accessing the electronic files in the field. SCA then provided the “missing” evaluations via an Excel file submitted to the auditors on August 4, 2015.

Corrective Action Plan: As SCA maintains that all selected end-of-term evaluations were provided by two different electronic methods, they do not believe that corrective actions are warranted regarding this finding.

Kearney's Response:

We appreciate SCA's response; however, SCA did not provide supporting documentation in a timely manner. The electronic files provided to Kearney on August 4, 2015 contained corrupted links and we were unable to verify that the end-of-term evaluations were completed. We recommend that the Corporation monitor SCA to verify end-of-term evaluations are completed, maintained on file, and are able to be reproduced.

Appendix A – SCA's Response to Draft Report

THE STUDENT CONSERVATION ASSOCIATION, INC.
Corporation for National and Community Service Awards
Responses to Findings
November 16, 2015

Finding #1: Criminal History Check Not Updated

Views of SCA Management: SCA Management does not dispute the factual circumstances presented in this finding, however, we believe that there should be no questioned costs associated with the finding as the instance of noncompliance occurred prior to the National Service Criminal History Check Assessment Period. As noted in the guidance and instructions associated with the Assessment Period, any instances of noncompliance found and corrected during the period of assessment would not result in disallowed costs (with four exceptions, none of which apply to this occurrence).

Although late, an updated Criminal History Check was performed during the member's second term. The member completed that term of service before the commencement of the Assessment Period and therefore, according to the guidance, no additional corrective efforts are required.

Corrective Action Plan: SCA believes that the instance of noncompliance was an isolated occurrence. Additionally, SCA complied with all of the requirements of the NSCHC Assessment Period and updated its procedures accordingly. Consequently, SCA does not believe any additional corrective actions are warranted regarding this finding.

Finding #2: Unallowable Travel Cost Charged to Grant

Views of SCA Management: SCA Management does not dispute the factual circumstances presented in this finding. It was determined that the member in question did serve in the program, which was funded by a combination of sources that included Grant No. 09ACHNY0010006. During that period, instead of specifically assigning costs by individual member, SCA allocated costs in groupings amongst the grants funding the program rather than on a transactional level.

Corrective Action Plan: SCA has since amended its procedures to ensure that costs with separate funding sources are accounted for and allocated separately so that only those costs specifically funded by the grant are charged to the grant.

Finding #3: Late National Sex Offender Public Website (NSOPW) Searches

Views of SCA Management: SCA Management does not dispute the factual circumstances presented in this finding.

Corrective Action Plan: SCA believes that the instance of noncompliance was an isolated occurrence. As SCA believes that its procedures surrounding NSOPW searches are adequate, and as the auditor deemed any potential questioned costs to be insignificant, SCA does not believe any additional corrective actions are warranted regarding this finding.

Finding #4: The Member End-of-Term Evaluations Were Not Completed in 75% of the Files Reviewed

Views of SCA Management: SCA Management disputes the factual circumstances presented in this finding. SCA maintains its end of term evaluations electronically. SCA staff provided the auditors access to the necessary files during the fieldwork period. It was understood that there would be no end of term evaluations for any members still in service. Subsequent to the audit team's work at SCA's New Hampshire office and at the time when the draft NFRs were submitted to SCA, it was communicated to SCA Management that the auditors had difficulties accessing the

THE STUDENT CONSERVATION ASSOCIATION, INC.
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Responses to Findings
November 16, 2015

electronic files in the field. SCA then provided the "missing" evaluations via an Excel file submitted to the auditors on August 4, 2015.

Corrective Action Plan: As SCA maintains that all selected end of term evaluations were provided by two different electronic methods, we do not believe that corrective actions are warranted regarding this finding.

Appendix B – Corporation Response to Draft Report

To: Stuart Axenfeld, Assistant Inspector General for Audit
From: Dana Bourne, Chief of Grants Management
Date: November 17, 2015
Subject: Response to OIG Draft of Audit of Corporation
For National and Community Service Grants Awarded to Student
Conservation Association

Thank you for the opportunity to review the draft report of the Audit of CNCS's grants awarded to the Student Conservation Association (SCA). We will work with Student Conservation Association representatives to ensure its corrective action adequately addresses all audit findings and recommendations.

Finding 1: Criminal History Check Not Updated

CNCS will review the audit work papers and SCA documentation to determine whether background check requirements were met. CNCS will work with SCA to ensure criminal history check procedures are in place and followed, and requirements are being met in a timely manner.

Finding 2: Unallowable Travel Cost Charged to Grant

CNCS will review SCA's travel expenditures to determine disallowed costs. CNCS will also review SCA's travel related policy and recordkeeping requirements to ensure compliance.

Finding 3: Late National Sex Offender Public Website (NSOPW) Searches

CNCS will review audit work papers and SCA documentation to determine if requirements for National Sex Offender searches were met. CNCS will work with SCA to ensure NSOPW and Criminal History Check procedures are in place and followed, and requirements are being met in a timely manner.

Finding 4: The Member End-of-Term Evaluations Were Not Completed in 75% of the Files Reviewed

CNCS will review SCA member exit procedures to ensure end-of-term evaluations are completed in accordance with CNCS regulations.

Cc: Jeff Page, Acting Chief Financial Officer
Bill Basl, Director, AmeriCorps
Jeremy Joseph, General Counsel
Kathryn Gillis, Director, Office of Accountability and Oversight