
**APPALACHIAN REGIONAL COMMISSION
OFFICE OF INSPECTOR GENERAL**

AUDIT OF GRANT AWARD

**Southern Alleghenies Planning & Community
Development Commission**

**Local Development District (LDD) Administration Grant
Altoona, Pennsylvania**

Final Report Number: 19-39
Grant Numbers: PA-708F-C45 & C46 & C47
September 2019

Prepared by:

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Leon Snead & Company, P.C. completed an audit of grants PA-708F-C45, PA-708F-C46, and PA-708F-C47 awarded by the Appalachian Regional Commission (ARC) to the Southern Alleghenies Planning and Community Development Commission (the Commission). The audit was conducted at the request of the ARC Office of Inspector General to assist the office in its oversight of ARC grant funds.

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were adequate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); and (5) the matching requirements and (6) the established performance measures were met.

The Commission's administrative policies, procedures, and related internal controls were adequate to manage the funds provided under the ARC grant. The ARC expenditures of \$139,353 and the match of \$178,005 tested for the grants were properly supported and allowable. Matching contributions exceeded the required amount. Financial reports and project performance reports were submitted to ARC timely and accurately. The Commission had an adequate process in place for obtaining and recording data related to the overall goals of the grant. They met or exceeded the planned performance outcomes for grants PA-708F-C45 & PA-708F-C46 and are on track to meet or exceed the performance outcomes for grant PA-708F-C47.

Leon Snead & Company appreciates the cooperation and assistance received from the grantee and ARC staffs during the audit.

Sincerely,


Leon Snead & Company, P.C.

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Background

Leon Snead & Company, P.C. completed an audit of grants PA-708F-C45, PA-708F-C46, and PA-708F-C47 awarded by the Appalachian Regional Commission (ARC) to the Southern Alleghenies Planning and Community Development Commission (the Commission). The audit was conducted at the request of the ARC Office of Inspector General to assist the office in its oversight of ARC grant funds.

The Commission is a nonprofit regional economic and community development organization serving Bedford, Blair, Cambria, Fulton, Huntingdon, and Somerset counties in the State of Pennsylvania. It is governed by a board of directors consisting of the county commissioners from each member county and representatives from the private sector.

ARC grant PA-708F-C45 was awarded to cover the period January 1, 2017 to December 31, 2017 and provided \$102,000 in ARC funds and required \$102,000 in match. ARC grant PA-708F-C46 was awarded to cover the period January 1, 2018 to December 31, 2018 and provided \$101,000 in ARC funds and required \$101,000 in match. ARC grant PA-708F-C47 was awarded to cover the period January 1, 2019 to December 31, 2019 and provides \$101,000 in ARC funds and requires \$101,000 in match. Total ARC funding for the three grants was \$304,000.

Each grant provides funding assistance for the Commission to establish and expand economic development services in its service area and support programs that are consistent with the policy and guidelines for local development districts, including activities and project development related to ARC's Strategic Plan. All three grants were open at the time of the audit.

Objectives, Scope, and Methodology

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were adequate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); and (5) the matching requirements and (6) the established performance measures were met.

ARC funding of \$274,945 in total had been expended under the three grants. The break out of total funds expended is \$102,000 from C45; \$97,195 from C46; and \$75,750 from C47. We reviewed \$139,353 of these charges to determine whether they were properly supported and allowable. The total budgeted matching contribution for the grants was \$304,000. Actual matching costs of \$529,634 had been charged to the project as June 30, 2019. We reviewed \$178,005 of these charges to determine whether they were properly supported and allowable.

We reviewed documentation provided by the Commission and interviewed personnel to obtain an overall understanding of the grant activities, the accounting system, and general operating procedures and controls. We reviewed written policies and administrative procedures to determine if they complied with federal requirements and were adequate to administer the grant. We reviewed financial and project performance reports to determine if they were submitted in

accordance with requirements. We evaluated grant results discussed in the project performance reports to determine if the planned performance goals and objectives were met.

The on-site fieldwork was performed at the Commission's office in Altoona, Pennsylvania during the period September 2-5, 2019. The audit results were discussed with Commission officials at the conclusion of the on-site visit.

The primary criteria used in performing the audit were 2 CFR 200, the ARC Code and the grant agreements. The audit was performed in accordance with the Generally Accepted Government Auditing Standards.

Summary of Audit Results

The Commission's administrative policies, procedures, and related internal controls were adequate to manage the funds provided under the ARC grant. The expenditures of \$139,353 and the match of \$178,005 tested for the grants were properly supported and allowable. Matching contributions exceeded the required amount. Financial reports and project performance reports were submitted to ARC timely and accurately. The Commission had an adequate process in place for obtaining and recording data related to the overall goals of the grant.

We compared the planned performance outcomes with the actual performance outcomes for the three grants. As shown below, the Commission met or exceeded the planned performance outcomes for grants PA-708F-C45 & C46, and the Commission was on track to meet or exceed the performance outcomes for grant PA-708F-C47.

PA-708F-C45	Planned Outcomes	Actual Reported Outcomes
ARC Project Applications to be Completed	4 Applications Totaling \$2,261,050	6 Applications Totaling \$3,788,375
Other State and Federal Applications to be Completed	4 to 7 Applications	14 Applications
Technical Assistance for External Data Requests	25 to 30 Requests	25 Requests
Technical Assistance for Program Guidance	6 to 10 Applications	14 Applications
Businesses Served	200 to 250 Businesses	304 Businesses
PA-708F-C46		
ARC Project Applications to be Completed	5 Applications Totaling \$3,686,375	5 Applications Totaling \$2,973,748
Other State and Federal Applications to be Completed	3 to 6 Applications	16 Applications
Technical Assistance for External Data Requests	25 to 30 Requests	25 Requests
Technical Assistance for Program Guidance	6 to 10 Applications	16 Applications
Keystone Opportunity Zone Applications	10 Applications	15 Applications
Businesses Served	200 to 250 Businesses	241 Businesses
PA-708F-C47		
ARC Project Applications to be Completed	7 Applications Totaling \$3,239,162	8 Applications Totaling \$2,944,606*
Other State and Federal Applications to be Completed	3 to 6 Applications	4 Applications
Technical Assistance for External Data Requests	10 to 15 Requests	14 Requests
Technical Assistance Program Guidance	6 to 10 Applications	12 Applications
Keystone Opportunity Zone Applications	10 Applications	9 Applications
Businesses Served	200 to 250 Businesses	191 Businesses

*Performance outcomes as of September 2019