

Office of Inspector General

*Report Prepared by Leon Snead & Co., PC
Audit of Grant Award - Alabama Community College System (ACCS)*

Grant Number PW-19343



**Appalachian
Regional
Commission**

Office of Inspector General

Audit Report: 21-11

May 27, 2021




Appalachian
Regional
Commission

Office of
Inspector General

May 27, 2021

TO: Brandon McBride, Executive Director

FROM: Philip M. Heneghan, Inspector General 

SUBJECT: Audit Report 21-11— Alabama Community College System

This memorandum transmits the Leon Snead & Co. PC, report for the audit of costs charged to Grant Number PW-19343, Alabama Community College System (ACCS) project per its agreement with the Appalachian Regional Commission. The objective of the audit was to determine if costs claimed were allowable, allocable, reasonable, and in conformity with the Commission's award terms and conditions and Federal financial assistance requirements. In addition, the audit determined whether the performance measures were met, not met, or not likely to be met.

Leon Snead & Co. PC, is responsible for the attached audit report and the conclusions expressed in this report. The auditors did not issue any recommendations in this report.

We do not express any opinion on the conclusions presented in Leon Snead & Co., PC audit report. To fulfill our responsibilities, we:

- Reviewed the approach to planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Coordinated periodic meetings with Leon Snead & Co., PC, as necessary,
- Reviewed the audit report prepared by Leon Snead & Co., PC; and
- Coordinated issuance of the audit report.

We thank your staff for the assistance that was extended to the auditors during this audit. Please contact me at 202-884-7675, if you have any questions regarding the report.

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May 13, 2021

Appalachian Regional Commission
Office of the Inspector General
1666 Connecticut Avenue, N.W.
Washington, DC 20009

Leon Snead & Company, P.C. completed an audit of grant number PW-19343 awarded by the Appalachian Regional Commission (ARC) to the Alabama Community College System (ACCS). 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); (5) the matching requirements and (6) the goals and objectives of the grant were met.

The recipient's financial management and administrative procedures were adequate to manage the funds provided under the grant. The expenditures tested were properly supported and allowable. ACCS had met or exceeded several of its planned performance outputs and outcomes and had made significant progress towards achieving its remaining performance goals.

The audit results were discussed with ACCS officials at the conclusion of our onsite visit and a draft report was provided to ACCS for comments. The comments provided are included as an appendix to the report.

Sincerely,


Leon Snead & Company, P.C.

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Background

Leon Snead & Company, P.C. completed an audit of grant number PW-19343 awarded by the Appalachian Regional Commission (ARC) to the Alabama Community College System (ACCS). 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.

Grant PW-19343 was awarded for the Alabama Skills Training to Support Real Opportunities for New Growth (STRONG) project. The project seeks to increase awareness of the current and future job opportunities available in the advanced manufacturing sector. It provides students and workers with life skills, remedial education, technical skills, and certification training to prepare them for either additional postsecondary education or direct placement into high-wage and high-demand careers in Alabama's advanced manufacturing industry.

Overall coordination for the project is being provided through the state community college system. Individual course offerings are provided by Beville State, Jefferson State, Lawson State and Shelton State Community Colleges.

The grant was approved on September 21, 2018 and initially covered the period of August 1, 2018 to July 31, 2021. The grant was amended on March 29, 2021 to extend the period of performance to July 31, 2022. The grant provided \$1,750,000 of ARC funding and required \$1,750,000 in non-ARC matching funds. As of April 12, 2021, ACCS had received and expended \$637,125 in ARC funding and ACCS's actual matching contribution was \$637,125.

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 goals were met.

We reviewed documentation provided by ACCS officials and interviewed ACCS personnel to obtain an overall understanding of the grant activities, the accounting system, and general operating procedures and controls. We reviewed project performance and financial reports to determine if they were submitted to ARC in accordance with requirements. We reviewed the recipient's most recent financial statement audit report to identify any issues impacting the ARC grant and our audit.

We reviewed and tested \$483,249 of ARC funds and \$483,249 of matching funds that had been charged to the grant. Our review did not identify any unallowable or questioned cost charges.

The primary criteria used in performing the audit were the grant agreement, applicable Office of Management and Budget (OMB) Circulars, and the ARC Code. The audit was performed in accordance with *Government Auditing Standards*.

The on-site fieldwork was performed at the ACCS office in Montgomery, Alabama during the period of April 12 through April 15, 2021. The preliminary results were discussed with ACCS officials at the conclusion of the on-site visit.

Summary of Audit Results

The ACCS’s financial management and administrative procedures were adequate to manage the funds provided under the ARC grant. The expenditures tested were properly supported and allowable. The Authority’s matching contribution met the requirements of the grant. The audit did not identify any questioned costs. Financial and performance reports were submitted to ARC timely and accurately.

As shown in the following comparison, ACCS had met or exceeded several of the planned performance outputs and outcomes. ACCS had also made significant progress towards achieving the remaining performance outputs and outcomes. The current project end date is July 31, 2022. It appears that ACCS will meet or exceed the planned performance outputs and outcomes.

Performance Outputs	Planned	Actual
Businesses Served	77	50
Workers/Trainees Served	2,614	1,386
Participants Served	5,490	4,522
Students Served	1,624	1,970
Performance Outcomes		
Businesses Improved	77	50
Jobs Retained	1,132	425
Workers/Trainees Improved	2,101	416
Jobs Created	7	7
Participants Improved	5,490	4,522
Programs Implemented	6	6
Students Improved	976	1,031

From: [Lela Taylor](#)
To: [Leon Snead & Company](#)
Cc: [Sara Calhoun](#); [Vicky Ohlson](#); [Lisa Rollan](#)
Subject: FW: Audit of ARC Grant No. PW-19343
Date: Friday, May 7, 2021 10:46:03 AM
Attachments: [Draft Report PW-19343.pdf](#)

SENT ON BEHALF OF CHANCELLOR JIMMY H. BAKER:

Thank you for your firm's diligence in examining our records and performance under the ARC POWER Initiative grant. ACCS seeks to continually maintain the highest standards of integrity in our programs and financial processes, and we are pleased with the results of your audit. It was our pleasure to host your examiner, Mr. Ned Echerd, for the on-site visit. We commend him for the professionalism and expertise he demonstrated while reviewing this grant.

Jimmy H. Baker

*Lela McCullough Taylor
Executive Assistant to Chancellor Jimmy H. Baker
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From: Leon Snead & Company <leonsnead.companypc@erols.com>
Sent: Thursday, May 6, 2021 11:39 AM
To: Jimmy Baker <Jimmy.Baker@accs.edu>
Cc: Sara Calhoun <Sara.Calhoun@accs.edu>; Vicky Ohlson <Vicky.Ohlson@accs.edu>; Lisa Rollan <lisa.rollan@accs.edu>
Subject: Audit of ARC Grant No. PW-19343

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you

recognize the sender and know the content is safe.

Good Afternoon Mr. Baker,

Attached is a copy of the draft report on the above referenced audit for your review and comments. Please provide your comments by May 13, 2021. We did not note any findings during the review and do not have any recommendations for corrective actions. If you have any questions, please call or e-mail me.

Please confirm your receipt of the attached report. Thanks very much for your assistance.

Leon Snead
(301) 738-8190