

Office of Inspector General Corporation for National and Community Service

AUDIT OF THE VOLUNTEERS IN SERVICE TO AMERICA (VISTA) BUDGET FORMULATION AND EXECUTION PROCESSES

OIG REPORT 11-13



Corporation for
**NATIONAL &
COMMUNITY
SERVICE** 

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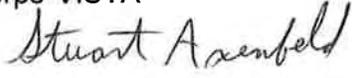
This report was issued to Corporation management on June 30, 2011. Under the laws and regulations governing audit follow-up, the Corporation is to make final management decisions on the report's findings and recommendations no later than December 30, 2011 and complete its corrective actions by July 2, 2012. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.



June 30, 2011

TO: William Anderson
Chief Financial Officer

Mary Strasser
Director, AmeriCorps*VISTA

FROM: Stuart Axenfeld 
Assistant Inspector General for Audit

SUBJECT: Office of Inspector General (OIG) Report 11-13: *Audit of the Volunteers in Service to America (VISTA) Budget Formulation and Execution Processes*

Attached is the final report on the OIG's *Audit of the VISTA Budget Formulation and Execution Processes*. This audit was performed by OIG staff in accordance with generally accepted government auditing standards.

Under the Corporation's audit resolution policy, a final management decision on the findings in this report is due by December 30, 2011. Notice of final action is due by July 2, 2012.

If you have questions pertaining to this report, please contact me at (202) 606-9360 or s.axenfeld@cncsoig.gov; or Thomas Chin, Audit Manager, at (202) 606-9362 or t.chin@cncsoig.gov.

Attachment

cc: Kim Mansaray, Acting Chief Operating Officer
Idara Nickelson, Acting Chief of Program Operations
Rocco Gaudio, Deputy Chief Financial Officer for Grants and Field Financial Management
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Mike Berning, Director of Field Liaison
Jack Goldberg, Audit Resolution Specialist, Office of Grants Management

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Appendix

A: Corporation's Response to Draft Report

TABLE OF ACRONYMS

ARRA	American Recovery and Reinvestment Act of 2009
C.F.R.	Code of Federal Regulations
CSO	Corporation State Office
DVSA	Domestic Volunteer Service Act of 1973
HQ	Headquarters
MSY	Member Service Year
NCSA	National and Community Service Act of 1990
OBFP	Office of Budget Formulation and Performance
OFL	Office of Field Liaison
OIG	Office of Inspector General
SAA	Serve America Act
U.S.C.	United States Code
VDR	VISTA Desk Reference
VISTA	Volunteers in Service to America

EXECUTIVE SUMMARY

The Office of Inspector General (OIG), Corporation for National and Community Service (Corporation), conducted a performance audit of the Volunteers in Service to America (VISTA) budget formulation and execution processes. We focused solely on the review internal controls, because internal control weaknesses can impact the effectiveness and efficiency of overall operations. We believe that correcting the internal control weaknesses addressed in this audit report will allow the Corporation to identify and correct any areas of weakness or potential noncompliance.

The Corporation receives its funding through the same process as other executive branch agencies with Congress approving an appropriation that covers funding for one fiscal year (October 1 through September 30).

According to the VISTA Desk Reference¹ (VDR), the Director of VISTA, in collaboration with the AmeriCorps Executive Officer, begins the budget formulation process by preparing a request that outlines projected costs and discusses the intended use of the funds. Budget justification and performance plans are created. A negotiation process with the Office of Management and Budget (OMB) then begins. Once OMB and the Corporation agree on a budget, the final amount is included in the President's budget request, which is then submitted to Congress.

The VDR also depicts that much of the VISTA budget execution process is automated. Once a VISTA member is activated and the member's information is entered into the MyAmeriCorps Portal, related obligations and expenditures occur based on a pay cycle. These obligations and expenditures recur until the member either reaches the end of a term of service or is terminated early from the program.

Our audit identified a procedural disconnect in the VISTA budget formulation and execution processes that we consider an internal control weakness that is within the context of the audit objectives and based upon the audit work we performed. Internal controls include an organization's policies, and procedures or tools that assist program and financial managers in achieving results and safeguarding the integrity of the organization's programs.

AUDIT CONCLUSIONS

We found that the Corporation's Office of Budget Execution, Formulation and Performance (Budget Office), VISTA Headquarters (HQ), and Office of Field Liaison (OFL) each perform VISTA budget formulation tasks independent of each other. We also found that the budget formulation process differed from the process documented in the VDR.

¹ The VISTA Desk Reference (VDR) is a repository of information on the VISTA's mission, legal framework, funding, and policies. It is a living document posted on the Corporation's internal website.

RESULTS OF AUDIT

Finding 1. The Corporation's Budget Office, VISTA HQ, and OFL budget formulation processes are conducted separately, which results in budget requests that may not be based on VISTA programmatic needs.

The Budget Office takes the lead role in formulating the budget. It receives a budget guidance memorandum from OMB in late April which outlines the President's objectives, priorities and budget targets for developing the agency budget. The Budget Office then provides a budget target for each Corporation program, including VISTA, based on the OMB guidance and the overall goals of the Corporation. VISTA personnel do not provide the Budget Office the projected level of need for the VISTA program prior to receiving the budget target. In anticipation of a final budget, VISTA HQ and the OFL (which includes Corporation State Offices (CSOs) and area clusters) prepare local member service year (MSY) estimates and negotiate final MSYs based on the final budget.

While the budget target or estimate given to VISTA HQ by the Budget Office is based on the overall goals of the Corporation, it is not necessarily based on VISTA's current or future level of need. OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, Part 2, Paragraph 31.1 (b)(1)(i) Basic policies and assumptions, *Regular annual estimates*, states that "[y]our regular annual estimates must reflect all requirements anticipated at the time of budget submission, and should cover:

- Continuing activities, including those that must be reauthorized for the budget year;
- Authorized activities that are proposed for the budget year;
- Amounts necessary to meet specific financial liabilities imposed by law; and
- Decreases for activities proposed for termination or reduction."

Because of the narrowly focused and separate areas of responsibilities in which the VISTA budget is formulated, the VISTA budget request included in the President's budget may not be based on the accurate needs or assumptions that were formulated from bottom up. Although VISTA HQ prepares a justification to support the budget estimate received from the Budget Office, we determined that VISTA HQ is actually in a better position to provide the initial annual budget estimates for VISTA than the Budget Office, based on the criteria above.

Recommendation

We recommend that the Corporation ensure that the budget request for VISTA is based on VISTA programmatic needs and budget estimates developed by VISTA HQ.

Corporation Response

The Corporation does not agree with the finding and states that the budget formulation processes are not conducted separately. The response says, "[t]his process is detailed in the Office of Budget Formulation and Performance's *Standard Operating Procedures for Budget Formulation, Justification, and Presentation*," which

is guided by relevant sections of the OMB Circular A-11 – Part II, Section 51: Basic Justification Materials, along with OMB’s annual budget guidance.

The Office of Budget Formulation and Performance (OBFP) is responsible for compiling, reviewing, and analyzing budget requests for all Corporation programs and activities. OBFP provides annual guidance for Corporation programs and activities. The guidance covers development of the budget justification, performance plan, and Corporation priorities. The budget development includes a data call for performance data. The performance data are compiled and compared to ensure consistency, accuracy, and completeness.

The Corporation’s response states that AmeriCorps VISTA senior staff is involved in the production of VISTA’s chapter for both the OMB Budget and Performance Plan and the Congressional budget submission. The Corporation also states that OFL does not have its own discrete budget; but it participates in the budget formulation and execution of the VISTA budget due to its involvement in VISTA project development, tracking, and monitoring.

Subsequent to providing the response to the draft report, cognizant Corporation and OIG personnel met on April 28, May 12 and 23, 2011, to clarify the findings presented in this report. At the April 28 and May 12 meetings, Corporation personnel stated the draft report contained factual inaccuracies, specifically the following statements:

“The Budget Office then provides a budget target for each Corporation program, including VISTA, based on the OMB guidance and the overall goals of the Corporation.”

“While the budget target or estimate given to VISTA HQ by the Budget Office is based on the overall goals of the Corporation, it is not necessarily based on VISTA’s current or future level of need.”

The Corporation provided the following documents to support its claim that the draft report contained factual inaccuracies:

- OMB M-10-19 Fiscal Year 2012 Budget Guidance, dated 06/08/2010 – communicates the Administration’s budget priorities for FY 2012
- OMB M-10-20 Identifying Low-Priority Agency Programs, dated 06/08/2010 – communicates guidance for cutting unnecessary programs
- FY 2012 OMB Budget and Performance Plan, dated 06/25/2010 – agencies internal guidance to departments for the FY 2012 budget cycle
- FY 2012 Budget Submission to OMB Production Plan and Schedule – sets milestone dates
- FY 2012 Chapter Template – provides Corporation departments a uniform template
- 2011 VISTA Submission – 5% reduction – first budget scenario
- 2011 VISTA Submission – Current Services – second budget scenario
- 2011 VISTA Submission – Enhancement – third budget scenario
- 2011 VISTA Submission – Final Budget with edits

OMB M-10-19 "Fiscal Year 2012 Budget Guidance" requested that "each non-security agency submit a budget request five percent below the discretionary total provided for that agency for FY 2012 in the FY 2011 Budget."

The FY 2012 OMB Budget and Performance Plan, dated June 25, 2010 states, "[t]he initial budget mark for your office/program will be shared with you in the coming days. These marks reflect the funding ceiling put in place by OMB and will be fine-tuned as we further develop our program strategies to achieve the outcomes called for by the SAA." [emphasis added]. It also states, "[y]our assigned budget analysts will work closely with you to break out your budget to reflect program costs (i.e. how much it will cost in FY 2012 to do the same level of work planned in FY 2011) versus program enhancements (or increases), as required by OMB."

At the May 23 meeting, OBFP management acknowledged the June 25 memo would allow one to believe that OBFP gave Corporation departments a budget target or mark. OBFP management stated the bolded statement above was misleading because the budget mark was just a ceiling or a not-to-exceed target used in budget formulation which provides the Corporation's Chief Executive Officer and departments with a sense of where the Corporation stands. OBFP management also stated that Corporation departments could exceed the ceiling provided, but would need to provide strong justification for exceeding the mark. OBFP was unable to provide us the mark provided to VISTA for its FY 2012 budget.

OIG Comment

The Corporation's response outlines the Corporation-wide budget process but does not directly address our finding and recommendation. For this audit, we did not evaluate the Corporation's budget process as a whole. We specifically addressed the VISTA budget process.

Although the Corporation does not agree with the finding and recommendation, it states in its response that OBFP communicates guidance on Corporation priorities (budget target) and how to develop a standardized budget justification that will allow the Corporation's submission to be consistent across all chapters² in the budget justification. This echoes the view expressed in the report that VISTA is provided a budget target and is required to provide justification for it.

In its response, the Corporation also said the budget development includes a data call for performance data. Consistent, accurate, and complete performance data is not necessarily an all-inclusive indicator of future programmatic needs. It further appears the data call is part of the justification process, but does not occur as part of the initial determination of Corporation priorities.

During meetings with the Corporation held subsequent to receipt of the Corporation's response to the draft report, the Corporation asserted that Finding 1 contained factual inaccuracies (as discussed above in the Corporation Response section) and provided additional information to support its claim. The Corporation stated OBFP did not provide VISTA a budget target or mark. However, the June 25 memorandum states that "[t]he initial budget mark for your office/program will be shared with

² The budget justification is organized into chapters which represent budget activities or programs.

you in the coming days. These marks reflect the funding ceiling put in place by OMB and will be fine-tuned as we further develop our program strategies to achieve the outcomes called for by the SAA.” [emphasis added]. Therefore, we stand by our original statements as we concluded in the draft report. The Corporation should ensure that VISTA’s initial budget request is formulated from bottom-up rather than from top-down.

Finding 2. The budget formulation and execution processes for VISTA are not accurately or completely documented.

We found that various Corporation policies and operating procedures document stages of the VISTA budget formulation and execution processes. However, the Corporation currently has no policy or procedure manual that documents the entire VISTA budget formulation and execution processes from beginning to end.

We further determined that the VISTA budget formulation process differed from the process documented in the VDR. It states the Director of VISTA, in collaboration with the AmeriCorps Executive Officer, prepares a budget request that outlines projected costs and discusses the intended use of the funds. After the initial budget request is completed, VISTA prepares the budget justification and performance plans. OMB and the Budget Office begin a negotiation, which results in the level of VISTA funding being included in the President’s budget request submitted to Congress. VISTA HQ is provided the amount of the funding level negotiated for VISTA and is asked to prepare the budget justification and performance plans to support that level of funding. VISTA personnel prepare MSY estimates in advance of submission of the President’s budget request and prior to receiving the approved budget. The MSY estimates, which allow VISTA and the CSO to begin planning for the upcoming fiscal year, are adjusted to support the President’s budget request and again to align with the approved budget.

The VDR depicts VISTA budget execution as an automated process. For example, it states that when a VISTA member is activated and the member’s information is entered into the MyAmeriCorps Portal, related obligations and expenditures occur based on a pay cycle and recur until the member’s term of service ends or an early termination action has been entered into the MyAmeriCorps Portal. However, discussions with Budget Office personnel revealed that execution tasks are inconsistent with the VDR; the actual process is not completely automated. For example, Budget Office personnel must ensure that funding is allocated on a quarterly basis, anticipated funding is available when needed, and must conduct budget reviews.

The Corporation’s Standard Operating Procedures for Budget Formulation, Justification, and Presentation does not document the budgeting operating procedures for VISTA specifically or for the Corporation as a whole. Instead, it provides definitions of terms used in the budget process and a general overview of the Corporation’s budget process. Corporation policy CFO-2010-1, Internal Control Procedures, paragraph 9 *How are internal controls documented*, states that “[e]ach assessable unit is responsible for documenting its operating procedures with an emphasis on those portions of the procedures that are designated as controls. If controls are not documented, or if written procedures are outdated, then it is imperative to create or revise internal control documentation as soon as possible. A unit’s documentation responsibility is fulfilled when the unit’s key processes and controls are documented, all control documentation is

up to date, and all relevant personnel have been trained in how to follow the documented procedures and perform the controls.”

OMB Circular A-123, *Management's Responsibility for Internal Control*, Section II *Standards*, states that “[t]he control environment is the organizational structure and culture created by management and employees to sustain organizational support for effective internal control... [w]ithin the organizational structure, management must clearly: define areas of authority and responsibility; appropriately delegate the authority and responsibility throughout the agency... [i]nformation should be communicated to relevant personnel at all levels within an organization. The information should be relevant, reliable, and timely.”

Recommendation

We recommend that the Corporation develop an operating policy and procedure manual that documents the VISTA budget formulation and execution process from beginning to end. The operating policy and procedure manual should contain specific details for the VISTA operating environment. In addition, the operating policy and procedure manual should be vetted through the Corporation’s Policy Council and the final policy and procedure manual should be posted on the Corporation’s intranet policy page.

Corporation Response

The Corporation does not agree with the finding and states that the VISTA budget formation and execution processes, which are the same as the processes used for all of the Corporation’s service programs, are adequately documented.

The Corporation states its overall budget process is based entirely on OMB Circular A-11, augmented by the annual OMB memorandum on budget development and Corporation policy guidance, which includes *Standard Operating Procedures for Budget Formulation, Justification, and Presentation* and *Administrative Control of Funds*.

The Corporation also states it believes the OIG may have taken the VDR references to the budget process out of context. The VDR is intended to serve as a reference document and is not intended to detail all processes that it references.

OIG Comment

The Corporation’s response does not directly address the finding and recommendation to document the VISTA budget formulation and execution process. It states the Corporation uses OMB and Corporation budget policies; however, it does not state that VISTA-specific budget formulation and execution process is documented.

We acknowledge that the Corporation follows government-wide and Corporation budget policy. OMB Circular A-11 is a government-wide policy and is too broad to be considered a VISTA specific budget policy. We understand that budgeting for the VISTA program does not occur in a vacuum and that VISTA’s programmatic needs are weighed against the overall needs of the Corporation. However, Corporation

budget policy does not address items unique to the VISTA program. Additionally, we reviewed the Corporation's *Standard Operating Procedures for Budget Formulation, Justification, and Presentation*. In general, Standard Operating Procedures (SOP) provide official, detailed, written instructions that have the force of a directive, covering those features of operations that lend themselves to a definite or standardized procedure. SOPs explain step-by-step procedures on how to complete certain functions or duties within an organization. The Corporation's *Standard Operating Procedures for Budget Formulation, Justification, and Presentation*, which are not VISTA-specific, do not provide the detailed guidance necessary to allow Corporation personnel to formulate, justify, or present a budget without prior knowledge or additional guidance. It only provides a general overview of budget-related processes and definitions.

As we mentioned in the footnote on page 1 of this report, we were and are aware that the VDR is simply a repository of information on VISTA's mission, legal framework, funding, and policies, and is meant to provide Corporation VISTA personnel support in administrating the program. Since the Corporation does not have VISTA-specific budget policies, we used the VDR to gain some perspective on the VISTA-specific budget process.

We recommended that the Corporation develop a policy to implement OMB Circular A-11 (VISTA specific operating policy and procedures manual). The operating policy and procedures manual would provide a one-stop reference for VISTA and Corporation personnel. VISTA and Corporation personnel who are new to the budgeting process, or who need a refresher, could use this manual to follow VISTA-specific procedures from beginning to end.

OBJECTIVES, SCOPE, AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives. We did not perform any testing to determine the reliability of computer generated data.

The audit objectives, communicated in the December 1, 2009 notification letter sent to the Corporation when the audit began, were to determine whether the Corporation: obligates and pays member living allowances and benefits in a timely manner; obligates the National Service Trust timely and accurately for amounts related to education awards for VISTA members; awards VISTA member slots on grants and memorandums of agreement within the limits of certified member slots; executes its VISTA budget within legal constraints; obligates or de-obligates VISTA funds in accordance with legal requirements; and maintains adequate internal controls. The audit focused on activities, transactions, and events related to the VISTA budgets for fiscal years 2009, 2010, and 2011.

Our initial audit work led us to focus solely on internal controls, because an internal control weakness can impact the effectiveness and efficiency of overall operations. We

believe that correcting the internal control weakness addressed in this audit report will allow the Corporation to identify and correct any areas of weakness or potential noncompliance with the other audit objectives.

Our audit methodology included in-person interviews with Corporation management and staff from the Budget Office, OFL, and VISTA. We reviewed Corporation correspondence, memoranda, and various budget work documents. We also reviewed policies and procedures related to the Corporation's budget formulation and execution processes. The entrance conference for this audit was held in conjunction with the entrance conference for the VISTA Member Support Unit audit in December 2009. Due to other audit priorities, Audit of the VISTA Budget Formulation and Execution Processes was temporary suspended from late May 2009 to early September 2010. We conducted the field work for our audit at the Corporation's HQ between September 2010 and February 2011.

BACKGROUND

AmeriCorps*VISTA is the national service program designed to fight poverty and build economic opportunity. VISTA engages individuals 18 years and older in a year of full-time service in our nation's poorest urban and rural areas, working to build the organizational, administrative and financial capacity of programs that help pull and keep Americans out of poverty. VISTA members are assigned to community organizations (e.g. non-profit or faith-based) and public agencies to help the organizations build on locally-driven solutions to both the causes of poverty as well as the problems that arise in poverty-stricken communities. Rather than providing cash grants, the VISTA program usually places individual VISTA members with sponsoring organizations.

EXIT CONFERENCE

We conducted an exit conference with Corporation representatives on February 28, 2011. The Corporation was provided a discussion draft of this report prior to the exit conference. During the exit conference the Corporation requested and was granted two weeks to provide us additional information before the draft report was issued. The Corporation did not provide us additional information for inclusion in the draft report, which was issued on March 22, 2011. The Corporation's response to the draft report was summarized after each recommendation and included, in its entirety, as Appendix A of this report.



Stuart Axenfeld, Assistant Inspector General for Audit
Office of Inspector General
Corporation for National and Community Service

APPENDIX A

Corporation for National and Community Service Response to the Draft Report



MEMORANDUM

Date: April 20, 2011

To: Ken Bach, Acting Inspector General

From: Idara Nickelson, Director, Office of Budget Formulation and Performance
Lisa Lewis-Robinson, Director, Office of Budget Execution
Paul Davis, Acting Director, AmeriCorps VISTA

Subject: Request for comments on the Office of Inspector General's (OIG) draft report:
Audit of the Volunteers in Service to America (VISTA) Budget Formulation and Execution Processes

Y. Lewis-Robinson acting
[Handwritten signatures]

Thank you for the opportunity to comment on the draft report on the results of your audit of budget formulation and execution processes for the AmeriCorps VISTA program. The workflows related to budget formulation and execution processes inherent in the AmeriCorps VISTA program are the same as those for the Corporation for National and Community Service's (CNCS) other service programs, such as the AmeriCorps State and National program. Accordingly, we take this opportunity to explain these processes, as well as the roles of the program and budget offices. As you will see below, our actual processes differ significantly from those referenced in the report.

Finding 1 – AmeriCorps VISTA budget formulation processes are conducted separately

AmeriCorps VISTA budget formulation processes are not conducted separately. Rather, CNCS has a standard, formal process for budget development. This process is detailed in the Office of Budget Formulation and Performance's *Standard Operating Procedures for Budget Formulation, Justification, and Presentation*. These procedures are guided by relevant sections of the Office of Management and Budget's (OMB's) Circular A-11 – Part II, Section 51: Basic Justification Materials – in addition to their annual budget guidance, which provides specific instructions on items that should be included in agency budget requests.

The Office of Budget Formulation and Performance (OBFP) is responsible for compiling, reviewing, and analyzing budget requests for all CNCS programs and activities. Once the policy and program priorities are determined, OBFP releases its annual guidance on development of the budget justification and performance plan. The annual guidance includes specific instructions on agency priorities, how to develop budget scenarios, staff roles and responsibilities, timelines as well as chapter templates. Staff from across the budget,

strategy, and program offices work in conjunction based on these instructions to ensure submission are complete and in alignment with both programmatic and agency goals. Though drafted by different offices, each section of the submission must clearly reflect and support the priorities of CNCS as a whole, including the self-identified programmatic goals in line with CNCS' strategic plan. Each chapter must be clear, concise, and consistent with the goals of the President and Congress, and make the strongest possible case for our requested funding levels.

Budget development includes a data call for performance data that is compiled and reviewed by OBFP staff. Prior to the first review of each chapter, the budget and performance data are compiled and compared to again ensure consistency, accuracy, and completeness.

The program submissions provide text, charts, and tables to highlight program operations and success. The narrative includes; a program summary, accomplishments and impact, request summary, and a performance plan. Programs are encouraged to highlight programmatic changes and/or initiatives that impact their budget numbers. Any significant shifts in plans, impact, or accomplishments are explained.

Following an Overview and Bill Language and Analysis, the budget submission includes chapters on each of the following: all three AmeriCorps programs, State Service Commission Administration Grants, National Service Trust, all Senior Corps programs, Learn and Serve America, Innovation and Demonstration, Evaluation, Disability Grants, Training and Technical Assistance, Salaries and Expenses, and the Office of the Inspector General.

As with all programs and offices, AmeriCorps VISTA senior staff are deeply involved in the production of VISTA's chapter for both the OMB Budget and Performance Plan and the Congressional Budget Submission. The Office of Field Liaison (OFL) is not a program and it does not have a discrete budget submission. However, OFL staff participate in the budget formulation and execution of the AmeriCorps VISTA budget due to the nature of its involvement in VISTA project development, tracking, and monitoring. This collaborative effort ensures that the funding level included in the agency budget submissions for AmeriCorps VISTA accurately reflects the program's budget request and performance results and plans.

Finding 2 – AmeriCorps VISTA budget formulation and execution processes are not accurately or completely documented

AmeriCorps VISTA budget formation and execution processes, which are the same as the processes for all of the Corporation's other service programs, are accurately and sufficiently documented. CNCS's process for budget formulation and execution are based entirely on OMB's Circular A-11, *Preparing, Submitting, and Executing the Budget*. OMB Circular A-11 provides detailed instructions on formulating and executing the budget. The budget formulation and execution process is augmented by annual OMB memorandum on budget development and CNCS policy guidance, as well as CNCS' *Standard Operating Procedures for Budget Formulation, Justification, and Presentation, and the Policy on Administrative Control of Funds*. OMB Circular A-11's detailed procedures are incorporated by reference into CNCS' standard operating procedures rather than repeated.

In addition, to assist staff in the execution of the AmeriCorps VISTA budget, CNCS staff developed the VISTA Desk Reference (VDR). However, we believe that OIG may have taken the VDR references to budget processes out of context or otherwise misinterpreted them. The VDR is intended to serve as a reference document; the VDR is not intended to detail all processes that it references. Specifically the draft report states while the “VDR depicts budget execution as an automated process”, budget “execution tasks are inconsistent with the VDR; the actual process is not automated.” (See draft Report, p. 3.) On the contrary, the only automated process in the AmeriCorps VISTA program is the payroll process for members’ subsistence allowance. All other processes related to formulation, execution, and performance are managed, directed and monitored by staff across CNCS – CPO (OFL, VISTA), CFO (FFMC, Budget Formulation and Execution, Accounting), CEO (Strategy, Evaluation).

In particular, staff from the OFL, Budget, and the VISTA program meets regularly to monitor and evaluate expenditures against budgeted amounts. This process is specifically referenced in the VDR in chapter four, page 4.4: “...VISTA HQ reviews quarterly the Cluster budgets with the Area Managers to ensure that the allocated MSYs are being used as forecast. Any under or over production of MSYs must be identified and corrected to ensure spending the annual appropriation.”

The VDR is intended to serve as a guide for Corporation field office staff, and the chapter (Chapter 4) related to budget formulation and resource allocation is intended to provide the field staff with an overview of the process, not as a policy document for the budget formulation and execution offices.

Thank you for the opportunity to provide feedback on the draft report.

cc: William Anderson, CFO
Robert Velasco, COO and Acting CPO
Mike Berning, Director, Field Liaison
Rocco Gaudio, Deputy CFO and Director, FFMC
Jack Goldberg, Audit Resolution Specialist