

OFFICE OF INSPECTOR GENERAL

PERFORMANCE AUDIT OF AMERICORP'S COMPLIANCE WITH THE PAYMENT INTEGRITY INFORMATION ACT OF 2019 FOR FISCAL YEAR 2021

FINAL AUDIT REPORT

NUMBER: OIG-AR-22-04

May 16, 2022

office of inspector general



May 16, 2022

MEMORANDUM TO:	Michael D. Smith Chief Executive Officer AmeriCorps
FROM:	Monique P. Colter /s/ Assistant Inspector General for Audit
SUBJECT:	Office of Inspector General Final Evaluation Report, OIG-AR-22-04: Performance Audit of AmeriCorps' Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2021

Enclosed is the Office of Inspector General's Final Audit Report, OIG-AR-22-04: *Performance Audit of AmeriCorps' Compliance with the Payment Integrity Information Act of 2019 for Fiscal Year 2021.* The performance audit was conducted by Cotton & Company Assurance and Advisory, LLC in accordance with standards established by the *Government Auditing Standards*, issued by the Comptroller General of the United States. If you have any questions about this report, please contact me at (202) 875-0245 or m.colter@AmeriCorpsoig.gov.

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Executive Summary

Date: May 13, 2022 Report No. OIG-AR-22-04



Why We Did This Audit

The Payment Integrity Information Act of 2019 (PIIA) requires that the Inspector General of each Federal agency evaluate the accuracy and completeness of the agency's annual reporting on improper payments, as well as its performance in reducing and recapturing improper payments.

How We Did This Audit

The Office of Inspector General of AmeriCorps (AmeriCorps OIG) contracted with Cotton & Company Assurance and Advisory, LLC to conduct this performance audit of AmeriCorps' compliance with PIIA for Fiscal Year (FY) 2021.

Our audit objectives included determining whether AmeriCorps met the following PIIA compliance requirements: (1a.) published payment integrity information with its annual financial statement and accompanying materials; (1b.) posted its annual financial statement and Office of Management and Budget (OMB) required accompanying materials on the agency's website; (2a.) conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in three years; (2b) adequately concluded whether its programs were susceptible to improper payments; (3) published improper payment estimates for susceptible programs; (4) published programmatic corrective action plans; (5a.) published improper payment reduction targets for each program with an estimated improper payment rate greater than ten percent; (5b.) demonstrated improvements to payment integrity; (5c.) developed a plan to meet its improper payment rate reduction targets; and (6) reported a gross improper payment rate of less than ten percent for each program for which an estimate was published.

What We Found

AmeriCorps implemented corrective actions in FY 2021 that improved its compliance with PIIA reporting requirements by:

- Conducting program-specific risk assessments.
- Publishing adequate and appropriate corrective action plans.
- Developing aggressive and realistic reduction targets.
- Meeting a published estimated improper payment rate reduction target.

AmeriCorps met the majority of the compliance requirements. However, AmeriCorps remains non-compliant with the following two PIIA requirements:

- AmeriCorps reported improper payment rates above the ten percent compliance threshold for the AmeriCorps State and National Program (ASN), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and Retired and Senior Volunteer Program (RSVP).
- The improper payment rates AmeriCorps reported for ASN, FGP, RSVP, and SCP were not accurate, reliable, or consistent with OMB guidance.

What We Recommend and Management's Comments

AmeriCorps generally concurred with and agreed to implement our recommendations to add additional provisions to its grant terms and conditions, strengthen supervision and oversight of the sample selection and statistical projection procedures to ensure that it appropriately projects estimated improper payment rates, and develop and implement actions to reduce the improper payment rates below ten percent for FY 2022.

OFFICE OF INSPECTOR GENERAL PERFORMANCE AUDIT OF AMERICORPS' COMPLIANCE WITH THE PAYMENT INTEGRITY INFORMATION ACT OF 2019 FOR FISCAL YEAR 2021

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PERFORMANCE AUDIT OF AMERICORPS' COMPLIANCE WITH THE PAYMENT INTEGRITY INFORMATION ACT OF 2019 FOR FISCAL YEAR 2021

I. Results in Brief

AmeriCorps continued to report an estimated improper payment rate—calculated as the annual amount of improper payments plus an annual amount of unknown payments¹—that exceeded the ten percent threshold required to comply with the Payment Integrity Information Act of 2019 (PIIA) for the AmeriCorps State and National Program (ASN), Foster Grandparent Program (FGP), Retired and Senior Volunteer Program (RSVP), and Senior Companion Program (SCP) in fiscal year (FY) 2021. Further, as a result of errors in AmeriCorps' sampling methodology and statistical projections, the estimated improper payment rates that AmeriCorps reported for ASN, FGP, RSVP, and SCP, are not accurate, reliable, or consistent with Office of Management and Budget (OMB) guidance.²

Although AmeriCorps has reduced barriers for grantee compliance by providing agency-approved vendors to complete the required national service criminal history checks and by offering regular trainings and training materials, AmeriCorps continued to report improper payment rates above the ten percent threshold for all programs susceptible to risk. Specifically, although AmeriCorps was able to meet its FY 2020 target reduction of one percent for RSVP, it was unable to meet the one percent reduction rates for ASN, FGP, and SCP; instead, the reported estimated improper rates for these programs increased. AmeriCorps attributed these increases to the operational challenges that grantees continued to face related to the Coronavirus Disease 2019 (COVID-19) pandemic, including how to administer—and document that they appropriately administered—the temporary pay allowances that AmeriCorps allowed during the period reviewed.

However, as a result of the improvements AmeriCorps made in FY 2021, it is closer to complying with PIIA reporting requirements. Specifically, AmeriCorps implemented corrective actions that improved its performance in:

- Conducting program-specific risk assessments.
- Publishing adequate and appropriate corrective action plans (CAPs) that will reduce improper payments, if fully and effectively implemented.
- Developing aggressive and realistic reduction targets.
- Meeting a published estimated improper payment rate reduction target.

¹ Per OMB Memorandum M-21-19, if a program cannot discern whether a payment is proper or improper, the payment is considered an unknown payment.

² AmeriCorps' treatment of unmatched reporting errors is not consistent with OMB guidance and may cause it to under-report the improper payment rates for ASN, FGP, RSVP, and SCP. Further, AmeriCorps confirmed that it published inaccurate rates for FGP and SCP as a result of statistical projection errors.

- Consistently following its sample testing methodology.
- Verifying the accuracy of its sample testing results.

PIIA Compliance

Although PIIA identifies six compliance requirements that agencies must meet, guidance issued by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and OMB expands the six requirements into ten.³ Therefore, we assessed AmeriCorps' compliance with the ten CIGIE/OMB criteria and determined that AmeriCorps did not meet two of the ten requirements for PIIA compliance, as illustrated in the table below.

Program Name	Published payment integrity information with the annual financial statement (FS)	Posted the annual FS and accompanying materials on the agency website	Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years	Adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold	Published improper payment and unknown payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual FS	Published corrective action plans for each program for which an estimate above the statutory threshold was published in the annual FS	Published improper payment and unknown payment reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual FS	Has demonstrated improvements to payment integrity or reached a tolerable improper payment and unknown payment rate	Has developed a plan to meet the improper payment and unknown payment reduction target	Reported an improper payment and unknown payment estimate of less than ten percent for each program for which an estimate was published in the accompanying materials to the annual FS	Total Instances of Non-Compliance
ASN	Met	Met	Met	Met	Did Not Meet	Met	Met	Met	Met	Did Not Meet	2
FGP	Met	Met	Met	Met	Did Not Meet	Met	Met	Met	Met	Did Not Meet	2
RSVP	Met	Met	Met	Met	Did Not Meet	Met	Met	Met	Met	Did Not Meet	2
SCP	Met	Met	Met	Met	Did Not Meet	Met	Met	Met	Met	Did Not Meet	2

Source: Auditor's analysis of whether AmeriCorps met the ten CIGIE/OMB PIIA compliance requirements.

³ To be considered compliant with PIIA, OMB and CIGIE require Federal agencies to meet the ten items included in the reported table, each of which relates to one of the six PIIA compliance requirements, as outlined in the *Legal Requirements/Compliance with PIIA* section of CIGIE's October 26, 2021, <u>Guidance for Payment Integrity Information</u> <u>Act Compliance Reviews</u>.

Specifically, we determined that AmeriCorps did not meet two of the compliance requirements because:

- 1. The estimated improper payment rates AmeriCorps published for all four programs deemed susceptible to risk exceeded the acceptable PIIA compliance threshold of ten percent.
- 2. The estimated improper payment rates that AmeriCorps reported in FY 2021 were not accurate, reliable, or consistent with OMB guidance because:
 - AmeriCorps did not properly input the data it used to perform the estimated improper payment rate projections for FGP and SCP.
 - The Federal Financial Report (FFR) population from which AmeriCorps selected its RSVP samples was not accurate or complete.
 - AmeriCorps did not treat unmatched reporting errors consistent with OMB guidance.
 - AmeriCorps did not follow its documented Statistical Sampling and Estimation Methodology Plan (S&EMP) and Standard Operating Procedure (SOP) for PIIA.

Summary of Recommendations

We recommend that AmeriCorps take the following corrective actions:

- Include additional terms and conditions within future AmeriCorps *General Grant and Cooperative Agreement Terms and Conditions* policy documents aimed at addressing the root causes of improper payments.
- Implement financial consequences or additional reporting requirements for grantees that have confirmed improper payments and/or unknown payments.
- Strengthen supervision and oversight of its statistical projection procedures to ensure that it appropriately projects estimated improper payment rates.
- Implement additional quality control checks designed to verify that the FFR populations from which it selects PIIA testing samples are complete and accurate.
- Report the differences between the amounts supported by a grantee's internal accounting records and the amounts claimed on the grantee's FFRs as unknown payments instead of as unmatched reporting errors.

• Implement appropriate oversight controls to ensure that AmeriCorps follows its documented S&EMP and SOPs.

II. Background

PIIA repealed the Improper Payments Information Act of 2002 (IPIA) and related guidance⁴ but set forth similar improper payment reporting requirements. PIIA requires agencies to review and identify programs and activities that may be susceptible to significant improper payments and to report on their actions to reduce and recover those payments.

In August 2021, OMB issued a revised Circular A-136, *Financial Reporting Requirements,* which refined the required reporting elements within the Payment Integrity section of agencies' annual reports. Additionally, in March 2021, OMB issued Memorandum M-21-19, which modified all prior OMB Circular A-123, Appendix C guidance and supported expanding the six compliance requirements under PIIA to a total of ten compliance requirements.

In October 2021, CIGIE issued an updated *Guidance for Payment Integrity Information Act Compliance Reviews*, which expanded upon the OIGs' responsibilities under the updated requirements in PIIA and identified all criteria that OIGs should consider when performing PIIA audits, including the ten compliance requirements established in OMB Memorandum M-21-19.

III. Audit Results

Our audit objectives were to determine whether AmeriCorps met all of the requirements of PIIA and to evaluate AmeriCorps' efforts to prevent and reduce improper payments. We determined that AmeriCorps did not meet all of the applicable PIIA compliance requirements. Specifically, the following table identifies each of the six PIIA compliance criteria and ten CIGIE/OMB compliance criteria, indicates whether AmeriCorps complied with each requirement, and includes a brief explanation of the results of our FY 2021 PIIA testing.

Improper Payment Co	mpliance Requirements		
Per PIIA	Per CIGIE/OMB Guidance	Result ⁵	Explanation of Results
Published improper payments information within the annual management report or annual financial statement (FS) of the executive agency for the most recent fiscal year; and posted the	Posted the annual FS and accompanying materials on the	Compliant	AmeriCorps appropriately published improper payment information within its Annual Management Report (AMR) on its website and within the information it provided to OMB in
statement on the website of the executive agency and any	agency website.		response to OMB data calls.

⁴ PIIA repealed IPIA, the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015.

⁵ OMB Memorandum M-21-19 requires that the compliance review clearly state the agency's compliance status (i.e., compliant or non-compliant). We have reported the results in accordance with this requirement and provide further explanation to support these instances.

Improper Payment Co	mpliance Requirements		
Per PIIA	Per CIGIE/OMB Guidance	Result ⁵	Explanation of Results
accompanying materials required under OMB guidance.			
Conducted a program-specific risk assessment for each program or activity that conforms with Section 3352(a) note of Title 31 U.S.C. (if required).	Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years. Adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.	· Compliant	AmeriCorps performed a program- specific risk assessment in FY 2021 to determine which of its programs were susceptible to improper payments. Although we did not note any exceptions with regard to AmeriCorps' FY 2021 risk assessment, we determined that AmeriCorps should re- perform a risk assessment in FY 2022. See Other Matter.
Published improper payment estimates for all programs and activities identified as susceptible to significant improper payments under the agency's risk assessment (if required).	Published improper payment and unknown payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual FS.	Not Compliant	Although AmeriCorps published estimated improper payment rates for the four programs it identified as susceptible to risk (ASN, FGP, RSVP, and SCP), the improper payment rate estimates were not accurate, reliable, or consistent with OMB guidance. See Finding 2.
Published programmatic CAPs prepared under section 3352(d) that the executive agency may have in the accompanying materials to the annual FS.	Published CAPs for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual FS.	Compliant	AmeriCorps published CAPs for each of the four programs that reported estimated improper payment rates greater than ten percent.
Published improper payment reduction targets established under section 3352(d) that the	Published improper payment and unknown payment reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual FS.	Compliant	AmeriCorps published improper payment and unknown payment reduction targets for each program for which AmeriCorps reported an estimated improper payment rate above the ten percent statutory threshold.
executive agency may have in the accompanying materials to the annual financial statement for each program or activity assessed to be at risk, and has	Has demonstrated improvements to payment integrity or reached a tolerable improper payment and unknown payment rate.	Compliant	AmeriCorps demonstrated that it has made sufficient improvements to improve payment integrity.
demonstrated improvements and developed a plan to meet the reduction targets.	Has developed a plan to meet the improper payment and unknown payment reduction target.	Compliant	AmeriCorps has developed a plan and increased its resources in an effort to ensure it achieves the one percent reduction target it has set for each of the four programs it deemed susceptible to risk of improper payments.

Improper Payment Co	mpliance Requirements		
Per PIIA	Per CIGIE/OMB Guidance	Result ⁵	Explanation of Results
Reported an improper payment rate of less than 10 percent for each program and activity for which an estimate was published under section 3352(c).		Not Compliant	AmeriCorps reported an estimated improper payment rate of more than ten percent for each of its programs it deemed susceptible to risk of improper payments. See Finding 1.

Source: Auditor's analysis of AmeriCorps' compliance with PIIA requirements.

Finding 1: AmeriCorps did not publish improper payment rates of less than ten percent. [Modified repeat finding from FY 2020]

AmeriCorps did not achieve estimated improper payment rates of less than ten percent for any of the programs it identified as susceptible, as required to be compliant with PIIA.⁶ Specifically, the rates AmeriCorps published for ASN, FGP, RSVP, and SCP were all greater than ten percent, as follows:

Program	FY 2021 Reported Estimated Improper Payment Rate	Estimated Improper Payment Rate Less Than Ten Percent?
ASN	10.43%	Not Met
FGP	19.33%	Not Met
RSVP	13.66%	Not Met
SCP	20.40%	Not Met

Source: AmeriCorps' FY 2021 AMR accompanying materials and auditor's analysis.

AmeriCorps grantees did not have sufficient internal controls in place to verify the allowability of payments made with AmeriCorps grant funds, or to maintain documentation to support the allowability of these payments. Specifically, in FY 2021, many grantees operated in non-standard environments and issued new COVID-19 stipend payments that created unique oversight, financial administration, and operational challenges that impacted their ability to verify whether payments were proper. AmeriCorps noted that many of the improper payments and unknown payments identified during its FY 2021 PIIA testing occurred because grantees did not maintain documentation to support the allowability of the temporary pay allowances they paid to volunteers who were unable to serve during the COVID-19 pandemic.

Without implementing additional measures to hold grantees accountable for improper payments and updating existing guidance for documenting compliance with new programs and guidance established in response to the COVID-19 pandemic, AmeriCorps may continue to report non-

⁶ PIIA Section 3351, Paragraph 2, Part F, notes that an agency has achieved compliance with PIIA if it has reported an improper payment rate of less than ten percent for each program and activity for which it published an estimate.

compliant estimated improper payment rates that will be difficult to reduce and will lead to continued mismanagement of agency funds.

Recommendations: We recommend that AmeriCorps:

- 1. Include additional terms and conditions within future AmeriCorps *General Grant and Cooperative Agreement Terms and Conditions* policy documents aimed at addressing the root causes of improper payments.
- 2. Implement financial consequences or additional reporting requirements for grantees that have confirmed improper payments and unknown payments. *Modified repeat recommendation for FY 2021.*

Finding 2: AmeriCorps' published improper payment estimates are not accurate, reliable, or consistent with OMB guidance. [Modified repeat finding from FY 2020]

AmeriCorps' published FY 2021 improper payment estimates for ASN, FGP, RSVP, and SCP were not accurate, reliable, or consistent with OMB guidance, as is required for the OIG to conclude that the agency appropriately published improper payment estimates in compliance with PIIA.⁷ Specifically:

1. The estimated improper payment rates that AmeriCorps reported for FGP and SCP were not reliable or accurate because AmeriCorps did not properly input the data used to perform the improper payment rate projection. Specifically, the improper payments that AmeriCorps projected during the first stage⁸ for one of the sampled FGP items and two of the sampled SCP items were inaccurate because AmeriCorps made errors when inputting the data into the statistical script that performed the estimated improper payment rate projections.

AmeriCorps recalculated its estimates as a result of the errors identified and determined that it should have reported improper payment estimates of \$18.188 million, or 19.33 percent, and \$8.5 million, or 22.08 percent, for FGP and SCP, respectively, rather than the \$18.187 million, or 19.33 percent, and \$7.8 million, or 20.40 percent, it reported for these programs.⁹

2. The estimated improper payment rate AmeriCorps reported for RSVP may not be accurate or reliable because the FFR population from which AmeriCorps selected its RSVP sample items

⁷ Per OMB Memorandum M-21-19, Section VI.A.3, to determine whether the agency complied with PIIA Section 3351, Paragraph 2, Part C, the OIG should review the accuracy of the improper payment and unknown payment estimate and determine whether the S&EMP used was appropriate, given program characteristics.

⁸ AmeriCorps requests that grantees provide general ledger (GL) entries or other accounting system records to support the amounts claimed on the sampled FFRs. From this data, AmeriCorps will select a "first stage" sample. If the sample selected does not represent an individual payment, AmeriCorps will request additional GL or accounting system data to enable it to select a "second stage" sample. AmeriCorps will continue this process until it has selected an individual assessable payment.

⁹We gained an understanding of the changes to the projection that resulted in the corrected rates; however, we did not conclude on the completeness or accuracy of those rates, as they are outside of the scope of the audit.

and to which it projected its estimated RSVP improper payment rate was not accurate or complete. Specifically:

- a) AmeriCorps improperly included two RSVP FFRs that reported \$18,542 in statefunded grants as part of the payment population it used to select its "first pull"¹⁰ sample. Because these FFRs do not include Federal funds subject to PIIA, AmeriCorps should not have included these FFRs in the payment population.
- b) AmeriCorps improperly excluded two RSVP FFRs from the payment population it used to select its "first pull" sample. These two FFRs reported \$246,642 in grants that AmeriCorps identified as state-funded but that were actually Federally-funded. As such, AmeriCorps should have included these FFRs in the payment population.
- 3. AmeriCorps did not consistently follow OMB guidance when developing the estimated improper payment rate it reported for ASN, FGP, RSVP, and SCP. Specifically:
 - a) AmeriCorps inappropriately accounted for 167 unmatched reporting errors when testing its sample of 333 FFRs. These unmatched reporting errors represented instances in which the dollar amount recorded in a grantee's accounting system did not match the dollar amount the grantee submitted on its FFR or reported at a prior sampling stage. Although OMB guidance states that an agency must treat any payment for which the agency does not obtain sufficient support as improper, AmeriCorps did not reconcile and analyze the unmatched expenditures to support that the expenditures did not represent improper payments. Instead, AmeriCorps eliminated these variances from the sample without regard to whether the grantee provided adequate support for the component payments.
 - b) AmeriCorps did not appropriately follow its documented S&EMP, and its documented SOPs were not consistent with its S&EMP. Specifically:
 - i) AmeriCorps' S&EMP states that AmeriCorps uses relative precision in evaluating the statistical estimate; however, AmeriCorps actually used absolute precision in its evaluation.¹¹
 - ii) AmeriCorps' S&EMP states that AmeriCorps may remove zero-dollar transactions from the population prior to sampling at the discretion of the

¹⁰ As a result of timing constraints and limited availability of resources, AmeriCorps selects its PIIA FFR samples from two separate FFR populations. Specifically, in FY 2021, AmeriCorps selected 60 percent of its PIIA sample from its "first pull" data set, which represented FFRs submitted during Quarter (Q) 3 and Q4 of FY 2020, and 40 percent of its sample from its "second-pull" data set, which represented FFRs submitted during Q1 and Q2 of FY 2021.

¹¹ Absolute precision is used when estimating the population parameter to within a defined percentage of the true value, while relative precision is used when estimating the population parameter to within a defined percentage of the population parameter itself.

PIIA Analyst; however, AmeriCorps consistently removed zero-dollar transactions from the population prior to sampling, rather than determining how to treat each zero-dollar transaction on a case-by-case basis.

- AmeriCorps' SOP references OMB Memorandum M-18-20 when defining valid statistical sampling and estimation methodologies, rather than referencing OMB Memorandum M-21-19, the most recent OMB guidance. Further, AmeriCorps' SOP includes an incorrect formula for calculating sample sizes.
- iv) AmeriCorps' SOP indicates that AmeriCorps should remove FFRs for statefunded grants from its sample population. However, AmeriCorps' "second-pull" data set included one RSVP FFR that it had identified as a state-funded grant.¹²

AmeriCorps management did not have adequate controls over (1) the input of improper payment data into the statistical software to prevent or detect errors or non-compliance in accordance with OMB guidance, (2) the review of the FFR data from which AmeriCorps selected its sample, or (3) the implementation and execution of its annual PIIA procedures in accordance with its S&EMP plan. In addition, AmeriCorps did not have sufficient support from its statistician contractor to ensure that the statistical sampling process used to produce its estimated improper payment rates for FY 2021 would result in a complete and accurate estimate.

With regard to the unmatched reporting errors, AmeriCorps management did not appropriately follow OMB Memorandum M-19-21's definition of an unknown payment. Specifically, because AmeriCorps management views the unmatched reporting errors as errors in classifying, aggregating, and reporting payments, it believes that these errors relate to the grantee's ability to appropriately aggregate and report costs, rather than to the grantee's ability to properly make or allocate payments as charges to Federal funding. This viewpoint is inconsistent with OMB guidance, which states that if a program cannot discern whether a payment is proper or improper, the payment is considered an unknown payment and should be included in the population of improper payments for testing. In addition, AmeriCorps did not appropriately allocate resources or require grantees to perform the reconciliations needed to support the individual expenditures causing the variances. Further, AmeriCorps did not require its portfolio managers, Office of Monitoring, or other AmeriCorps officials to follow up with the grantees that showed unmatched reporting errors.

As a result, the estimated improper payment rates published in AmeriCorps' FY 2021 AMR and accompanying materials do not accurately represent the true estimated improper payment rates

¹² Although AmeriCorps should have excluded the RSVP FFR per its SOP, because AmeriCorps had inappropriately identified the Federally-funded grant as state-funded, the second-pull data set was complete.

applicable to ASN, FGP, RSVP, and SCP. Publishing inaccurate and incomplete improper payment rate estimates does not provide users of the AMR with an accurate representation of the potential waste of agency funds. Further, because it did not follow its S&EMP or SOP, AmeriCorps may not have produced a statistically valid estimate.

Recommendations: We recommend that AmeriCorps:

- 3. Implement appropriate edit and oversight controls over the testing results and input data to ensure the completeness and accuracy of the published estimated improper payment rates. *Modified repeat recommendation for FY 2021*
- 4. Document and maintain a full audit trail of all edit checks, oversight controls, and performance of statistical extrapolation and evaluation. *Modified repeat recommendation for FY 2021*
- 5. Perform additional reviews for grants that AmeriCorps program officers identify as statefunded before including grants in—or excluding them from—the sample populations.
- 6. Either reconcile any differences between the grantees' internal accounting records and their FFRs to determine the propriety of the component payments—or require the grantees to perform this reconciliation—or treat unmatched reporting errors as unknown payment errors when projecting the estimated improper payment rate.
- 7. Implement appropriate oversight controls to ensure that AmeriCorps follows its documented S&EMP. If AmeriCorps makes changes in how it executes its methodology, it should update the S&EMP accordingly and re-submit the S&EMP to OMB if the changes meet the criteria for re-submission outlined in OMB Memorandum M-21-19. *Modified repeat recommendation for FY 2021*
- 8. Update its SOP to be current, consistent with the submitted S&EMP, and reflective of the statistical methodology as implemented.

Other Matter: AmeriCorps may not adequately evaluate all risk factors in its FY 2022 risk assessment.

AmeriCorps may not appropriately consider all agency-specific risk factors that could impact its programs' susceptibility to significant improper payments and unknown payments in FY 2022. Specifically, AmeriCorps may not adequately consider:

1. Issues related to migrating its financial system of record from Momentum to PRISM, as supported by the Treasury Administrative Resource Center (ARC) service provider; significant

weaknesses identified in its internal control program;¹³ or the reorganization of its grants management and monitoring processes.

- 2. Significant changes in funding for all programs that spend significant additional resources provided by the American Rescue Plan (ARP) in FY 2022.
- 3. The results of AmeriCorps OIG audit report AR-21-02,¹⁴ which indicates a potentially higher risk of improper payments and unknown payments in the Trust Program.

Although we did not identify any exceptions with respect to AmeriCorps' FY 2021 risk assessment, we are reporting this as an "Other Matter" to ensure that AmeriCorps appropriately considers applicable agency-wide changes that may impact whether certain programs are susceptible to significant improper payments and unknown payments, and therefore subject to estimation, in FY 2022.

Recommendations: We recommend that AmeriCorps:

- 9. Ensure that its FY 2022 off-cycle risk assessment:
 - a. Includes agency-specific risk factors for known risks related to process, funding, or technology changes.
 - b. Considers significant changes in expenditures related to increased program funding due to the ARP.
 - c. Specifically re-evaluates the AmeriCorps Trust Program based on the results of AmeriCorps OIG audit report AR-21-02.
- 10. Share the results of the risk assessment with the AmeriCorps OIG before finalizing the susceptibility determination for each program to determine whether AmeriCorps should review any additional programs for improper payments and unknown payments.

SUMMARY OF AMERICORPS MANAGEMENT'S RESPONSE

AmeriCorps noted that it generally concurred with, and would implement, the recommendations contained within the audit report. Specifically, AmeriCorps management noted that it appreciated the feedback and opportunity to improve its payment integrity process and that it

¹³ The risk assessment that AmeriCorps performed in FY 2021 frequently identified internal controls as mitigating factors for the risks identified; however, given the severity of the deficiencies reported for AmeriCorps' internal control program, reliance on those internal controls may not be adequate.

¹⁴ AmeriCorps OIG audit report AR-21-02, FY 2020 Performance Audit Report of AmeriCorps' Internal Control Program and National Service Trust Liability Model.

would continue to prioritize development and implementation of corrective actions that will reduce the agency's improper payment rates, as detailed within Appendix C.

Further, AmeriCorps' response noted that it believes that the results of this audit document its continued commitment to improvement in its payment integrity program, resulting in AmeriCorps meeting two additional PIIA compliance requirements this year

AUDITOR'S COMMENTS ON AMERICORPS MANAGEMENT'S RESPONSE

We appreciate AmeriCorps' response to our audit findings and recommendations and thank AmeriCorps for its cooperation during the FY 2021 PIIA audit. We believe AmeriCorps has made important strides in its PIIA compliance and we acknowledge the corrective actions it has identified to reduce its improper payments.

Cotton & Company Assurance and Advisory, LLC

M.P. Mesko

Megan Mesko, CPA, CFE Partner May 13, 2022

APPENDIX A

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objective of our performance audit was to determine if AmeriCorps met all of the requirements for compliance with PIIA as described in PIIA, CIGIE Guidance on PIIA Compliance Reviews, and OMB Memorandum M-21-19, including:

- a. Reviewing the Payment Integrity section of the FY 2021 AMR and information reported in supplemental data calls that AmeriCorps submitted to OMB to determine whether AmeriCorps is in compliance with PIIA.
- b. Evaluating AmeriCorps' compliance with PIIA compliance factors by:
 - i. Verifying that AmeriCorps (1) published improper payment information with its annual FS for the most recent fiscal year, and (2) posted that statement and any accompanying materials required under OMB guidance on the AmeriCorps website.
 - ii. Verifying that AmeriCorps conducted a program-specific risk assessment for each program or activity that conforms to the requirements under PIIA Section 3352(a), and that AmeriCorps adequately concluded whether the program is likely to make improper payments and unknown payments above or below the statutory threshold.
 - iii. Verifying that AmeriCorps published improper payment estimates for all programs and activities identified under PIIA Section 3352(a) in the accompanying materials to the annual FS.
 - iv. Verifying that AmeriCorps published any programmatic CAPs that it had prepared under PIIA Section 3352(d) in the accompanying materials to the annual FS.
 - v. Verifying that AmeriCorps published any improper payment reduction targets established under PIIA Section 3352(d) that it had in the accompanying materials to the annual FS for each program or activity assessed to be at risk, and that it demonstrated improvements to payment integrity or reached a tolerable improper payment and unknown payment rate and developed a plan to meet the reduction targets.
 - vi. Verifying that AmeriCorps reported an improper payment rate of less than ten percent for each program and activity for which it published an estimate under PIIA Section 3352(c).

We also evaluated the accuracy and completeness of agency improper payment reporting, AmeriCorps' performance in reducing and recapturing improper payments, and its compliance with the reporting requirements related to its non-compliance with PIIA.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States. 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 findings and conclusions based on our audit objectives.

Scope

As established in CIGIE Guidance on PIIA Compliance Reviews, the scope of this performance audit included the improper payment and reporting details in AmeriCorps' FY 2021 AMR, Section *Other Information*, and within supplemental data calls AmeriCorps submitted to OMB. We designed procedures to gain an understanding of the risk assessment that AmeriCorps performed to identify programs that are susceptible to a significant risk of improper payments and unknown payments, as well as an understanding of the statistical sampling process and testing that AmeriCorps performed to calculate its estimated improper payment rates. Our procedures also included having a statistical subject matter expert evaluate the statistical validity of the estimated improper payment rates.

We reviewed applicable Federal and CIGIE guidance, as well as other relevant documents provided by AmeriCorps and the AmeriCorps OIG, to gain an understanding of AmeriCorps' requirements regarding PIIA reporting, AmeriCorps OIG's requirements regarding reporting on AmeriCorps' PIIA assessment, and AmeriCorps' policies and procedures for implementing the PIIA program.

In planning and performing this audit, we considered AmeriCorps' internal controls and information systems, within the audit's scope, solely to understand the policies and procedures AmeriCorps has in place to perform its PIIA compliance activities and to assess the reliability of the accounting data provided as appropriate for the audit objectives.

We performed this work in Virginia, in a remote setting, during the period from December 8, 2021, through May 11, 2022. We discussed the contents of this report with AmeriCorps management in an exit conference held on May 2, 2022.

Methodology

To verify AmeriCorps' compliance with PIIA, evaluate the completeness and accuracy of its improper payment assessment, and assess its performance in reducing and recapturing improper payments, we:

- Gained an understanding of applicable PIIA and AmeriCorps criteria and guidance.
- Reviewed AmeriCorps' FY 2021 AMR and supplementary OMB data call and confirmed that AmeriCorps posted the report and any accompanying materials to its website.
- Reviewed AmeriCorps' FY 2021 AMR and confirmed whether the presentation was in accordance with the form and content requirements outlined in OMB Circular No. A-136, *Financial Reporting Requirements* (Revised August 2021).
- Evaluated the completeness and accuracy of the PIIA reporting details presented in AmeriCorps' FY 2021 AMR and OMB data call and supplements.
- Confirmed whether AmeriCorps conducted a program-specific risk assessment and evaluated the results of the assessment.
- Confirmed whether AmeriCorps published improper payment rate and dollar estimates for all programs and activities identified as susceptible to significant improper payments under its risk assessment.
- Evaluated the statistical sampling and estimation process that AmeriCorps used to determine the improper payment rate estimates that it published in its FY 2021 AMR and OMB data call and supplements.
- Evaluated the reasonableness of AmeriCorps' conclusions and the sufficiency of the documentation supporting the results of the testing procedures that AmeriCorps performed on its sample items as part of its statistical sampling processes by conducting re-performance testing using AmeriCorps' test plans.
- Confirmed whether AmeriCorps was required to publish CAPs in its FY 2021 AMR and supplementary OMB data call.
- Confirmed whether AmeriCorps has published improper payment and unknown payment reduction targets for each program that had an estimate above the statutory threshold and developed a plan to meet the reduction targets.
- Verified that AmeriCorps demonstrated improvements to payment integrity or reached a tolerable improper payment or unknown payment rate.
- Evaluated whether AmeriCorps reported a gross improper payment rate of less than ten percent for each program and activity for which it published an improper payment estimate in the AMR and OMB data call and supplements.
- Assessed the risk of the occurrence of fraud and abuse that is significant within the context of the objectives or that could affect the findings and conclusions.

In performing this methodology, we applied audit techniques such as inquiry, observation, and re-performance to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings related to the audit objectives.

APPENDIX B

COMPARISON OF RECOMMENDATIONS TO ADDRESS NON-COMPLIANCE FOR FY 2020 AND FY 2021

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
Published improper payments information within the annual management report or annual FS of the executive agency for the most recent fiscal year; and posted the statement on the website of the executive agency and any accompanying materials required under OMB guidance.	FY 2020: Compliant FY 2021: Compliant	Not Applicable. AmeriCorps reported on its recovery audit program, fraud reduction report, and improper payment rates in the Payment Integrity section of its AMR. Further, the data call and supplements that AmeriCorps submitted to OMB included additional improper payment information.	Publishedpaymentintegrityinformationwith the annual FS.Posted the annual FS andaccompanyingmaterialson the agencywebsite.	Not Applicable. AmeriCorps appropriately published improper payment information within its AMR on its website and/or within the information it provided to OMB in response to OMB data calls.
Conducted a program-specific risk assessment for each program or activity that conforms with Section 3352(a) note of Title 31 U.S.C. (if required).		Not Applicable. AmeriCorps performed a qualitative risk assessment in FY 2018 to determine programs susceptible to improper payments and did not experience any substantial changes in legislation, program operations, or funding at the agency, program, or activity level in FY 2020; as such, AmeriCorps met this compliance criterion.	Conducted improper payment risk assessments for each program with annual outlays greater than \$10,000,000 at least once in the last three years. Adequately concluded whether the program is likely to make improper payments and unknown payments above or	Not Applicable. AmeriCorps appropriately completed its FY 2021 risk assessment.

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
	Results FY 2020: Not Compliant FY 2021: Not Compliant		CIGIE/OMB Expansion below the statutory threshold. Published improper payment and unknown payment estimates for programs susceptible to significant improper payments in the accompanying materials to the annual FS.	
		 Strengthen supervision and oversight of the sample selection process to ensure that it selects samples in accordance with its methodology and written procedures. <i>Recommendation superseded in FY 2021.</i> Implement and consistently apply a rule for the treatment of zero-dollar value transactions in the sample population. <i>Recommendation superseded in FY 2021.</i> Reconcile the differences between grantees' internal 		 oversight controls, and performance of statistical extrapolation and evaluation. 5. Perform additional reviews for grants that AmeriCorps program officers identify as state-funded before including grants in—or excluding them from—the sample populations. 6. Either reconcile any differences between the grantees' internal accounting records and their FFRs to determine the propriety of the component payments—or require the grantees to perform

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
		accounting records and Federal Financial Reports—or require grantees to perform this reconciliation—to determine the propriety of the component payments and to identify whether unmatched reporting		 this reconciliation—or treat unmatched reporting errors as unknown payment errors when projecting the improper payment estimate. 7. Implement appropriate
		errors are improper payments when projecting the improper payment estimate. <i>Recommendation superseded in</i> <i>FY 2021.</i>		oversight controls to ensure that AmeriCorps follows its documented S&EMP. If AmeriCorps makes changes in how it executes its methodology, it should update the S&EMP
		(Finding 4) We recommend that AmeriCorps:10. Update the mandatory training for all AmeriCorps reviewers and supervisors based on the latest		accordingly and re-submit the S&EMP to OMB if the changes meet the criteria for re- submission outlined in OMB Memorandum M-21-19.
		test plans and require that all reviewers and supervisors take the updated training to ensure they use consistent testing methodologies and document retention plans. <i>Recommendation closed.</i>		 Update its SOP to be current, consistent with the submitted S&EMP, and reflective of the statistical methodology as implemented.
		 Implement controls that strengthen supervision and oversight to ensure that AmeriCorps reviewers 		

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
Published programmatic	FY 2020: Not Compliant	thoroughly, sufficiently, and adequately document all testing attributes and final conclusions and maintain adequate supporting documentation, justification, and rationale to support their conclusions. <i>Recommendation closed.</i> (Finding 2) We recommend that AmeriCorps:	Published corrective action plans for each	Not Applicable. AmeriCorps appropriately published CAPs.
corrective action plans in the PAR or AFR (if required).	FY 2021: Compliant	 Update its improper payment standard operating procedures to include a step-by-step process for developing, implementing, and tracking corrective action plans that includes, at a minimum, detailed measurable milestones, accountable parties assigned to each milestone, planned completion dates for each milestone, status update fields, and periodic updates on milestone progress. <i>Recommendation closed.</i> Update its improper payment standard operating procedures to include a step-by-step process for establishing and publishing reduction targets that are 	program for which an estimate above the statutory threshold was published in the accompanying materials to the annual FS.	

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
Published improper payment reduction targets for each program or activity assessed to be at risk, and has demonstrated improvements and developed a plan to meet the reduction targets.	Compliant	 program-specific and designed to reduce each program's improper payment rate to less than the ten percent statutory compliance threshold. <i>Recommendation</i> <i>closed.</i> (Finding 2) We recommend that AmeriCorps: 4. Update its improper payment standard operating procedures to include a step-by-step process for developing, implementing, and tracking corrective action plans that includes, at a minimum, detailed measurable milestones, accountable parties 	Published improper payment and unknown payment reduction target for each program for which an estimate above the statutory threshold was published in the accompanying materials to the annual FS.	Not Applicable. AmeriCorps published annual reduction targets for each program with improper payment estimates above the statutory threshold.
		assigned to each milestone, planned completion dates for each milestone, status update fields, and periodic updates on milestone progress. <i>Recommendation closed.</i>	Has demonstrated improvements to payment integrity or reached a tolerable improper payment and unknown payment rate.	Not Applicable. AmeriCorps demonstrated that it has made sufficient improvements to improve payment integrity.
		 Update its improper payment standard operating procedures to include a step-by-step process for establishing and publishing reduction targets that are program-specific and designed to reduce each program's 	Has developed a plan to meet the improper payment and unknown payment reduction target.	Not Applicable. AmeriCorps has developed a plan and increased its resources in an effort to ensure it achieves the one percent reduction targets it has set for all four programs it deemed susceptible to risk.

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
		improper payment rate to less than the ten percent statutory compliance threshold. <i>Recommendation closed.</i>		
Reported an improper payment estimate of less than ten percent for each program for which an estimate was published.	Compliant	 (Finding 1) We recommend that AmeriCorps: 1. Refine its grantee risk assessment processes to ensure it appropriately evaluates and documents its determination of grantee risk levels with regard to non-criminal history check issues. <i>Recommendation closed.</i> 2. Implement additional monitoring activities and/or impose additional award terms and conditions on grantees with confirmed improper payments and/or on grantees identified as medium or high risk based on the results of AmeriCorps' risk assessment. <i>Recommendation superseded in FY 2021.</i> 	Reported an improper payment and unknown payment estimate of less than ten percent for each program for which an estimate was published in the accompanying materials to the annual FS.	 (Finding 1) We recommend that AmeriCorps: 1. Include additional terms and conditions within future AmeriCorps General Grant and Cooperative Agreement Terms and Conditions policy documents aimed at addressing the root causes of improper payments. 2. Implement financial consequences or additional reporting requirements for grantees that have confirmed improper payments.

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
		 3. Provide additional training to grantees regarding how to implement sufficient controls to detect and prevent common root causes for improper payments, other than criminal history check issues. <i>Recommendation superseded in FY 2021.</i> (Finding 3) We recommend that AmeriCorps: 6. Implement appropriate edit and oversight controls over the 		
		testing results and input data to ensure the completeness and accuracy of the published improper payment estimates. <i>Recommendation superseded in</i> <i>FY 2021.</i>		
		7. Strengthen supervision and oversight of the sample selection process to ensure that it selects samples in accordance with its methodology and written procedures. <i>Recommendation superseded in FY 2021.</i>		
		8. Implement and consistently apply a rule for the treatment of		

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
		zero-dollar value transactions in the sample population. <i>Recommendation superseded in</i> <i>FY 2021.</i>		
		 9. Reconcile the differences between grantees' internal accounting records and Federal Financial Reports—or require grantees to perform this reconciliation—to determine the propriety of the component payments and to identify whether unmatched reporting errors are improper payments when projecting the improper payment estimate. Recommendation superseded in FY 2021. 		
		(Finding 4) We recommend that AmeriCorps:		
		10. Update the mandatory training for all AmeriCorps reviewers and supervisors based on the latest test plans and require that all reviewers and supervisors take the updated training to ensure they use consistent testing		

PIIA Compliance Criteria	Results	Recommendations to Address Non- Compliance for FY 2020	CIGIE/OMB Expansion	Recommendations to Address Non- Compliance for FY 2021
		methodologies and document retention plans. <i>Recommendation closed.</i>		
		11. Implement controls that strengthen supervision and oversight to ensure that AmeriCorps reviewers thoroughly, sufficiently, and adequately document all testing attributes and final conclusions and maintain adequate supporting documentation, justification, and rationale to support their conclusions. <i>Recommendation closed.</i>		

ers
Matter) We recommend that AmeriCorps:
sure that its FY 2022 off-cycle risk assessment:
Includes agency-specific risk factors for known risks related to process, funding, or technology changes.
Considers significant changes in expenditures related to increased program funding due to the ARP.
Specifically re-evaluates the AmeriCorps Trust Program based on the results of AmeriCorps OIG audit report AR-21-02.
are the results of the risk assessment with the eriCorps OIG before finalizing the susceptibility rermination for each program to determine whether eriCorps should review any additional programs for proper payments.
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MEMORANDUM

To:	Deborah Jeffery, Inspector General
From:	Jill Graham, Chief Risk Officer
CC:	Jenny Mauk, Chief of Staff Gina Cross, Chief Operating Officer Malena Brookshire, Chief Financial Officer Fernando Laguarda, General Counsel Anna Mecagni, Chief of Program Operations
Date:	May 11, 2022
Subject:	AmeriCorps Management Response to the FY 2021 OIG Payment Integrity Information Act (PIIA) Draft Report

AmeriCorps appreciates the opportunity to comment on the Office of the Inspector General (OIG) draft report on the agency's FY 2021 PIIA audit conducted by Cotton & Co. The agency generally concurs with and will implement the recommendations provided.

The results of the draft audit report show AmeriCorps' continued commitment to improvement in its payment integrity program as evidenced by strengthening its progress around corrective action plans and setting reduction targets, resulting in the agency meeting two additional compliance factors. The agency also established a cross-agency team dedicated to addressing the root causes of all found improper payments.

The agency appreciates the feedback and opportunity to improve its payment integrity process and will continue to prioritize development and implementation of corrective actions that will reduce the agency's improper payment rates. Detailed corrective actions related to each recommendation are found below.



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	NFR 1: AmeriCorps did not publish improper payment rates of less than 10 percent. Departmental Corrective Action Plan Owner: Office of the Chief Risk Officer						
Audit Rec #	Recommendation	AmeriCorps Concurrence	Corrective Action Plan Steps	Planned Completion Date			
1	Include additional terms and conditions within future AmeriCorps' General Grant and Cooperative Agreement Terms and Conditions policy documents aimed to address the root causes of improper payments.	Concur	 Identify root causes and draft language for inclusion in the terms and conditions that sets compliance expectations. Work with internal agency stakeholders for clearance of draft terms and condition language Incorporate new terms and conditions language into standardized terms and conditions template. 	1/31/2023			
2	Implement financial consequences or additional reporting requirements for grantees with confirmed improper payments.	Concur	1	01/31/2023			

	NFR 2: AmeriCorps' Published Improper Payment Estimate is Not Accurate, Reliable, or Consistent with OMB Guidance Departmental Corrective Action Plan Owner: Office of the Chief Risk Officer						
Audit Rec #	Recommendation	AmeriCorps Concurrence	Corrective Action Plan Steps	Planned Completion Date			
1	Implement appropriate edit and oversight controls over the testing results and input data to ensure the completeness and accuracy of the published estimated improper payment rates.	Concur	 Perform a comprehensive walkthrough of the AmeriCorps payment integrity steps to ensure the contracted statistician has a full understanding of the process. Implement additional checks and updates to the payment integrity extrapolation script to address the issue that caused the errors in the extrapolations in FY21. Develop a tool within AmeriCorps to ensure the data that is going to the statistician is correct and accurate and incorporate additional steps to check the accuracy of the extrapolation by ensuring all FFRs with improper payments are 	9/1/2022			

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2	Document and maintain a full audit trail of all edit checks, oversight controls, and instances of the statistical extrapolation and evaluation that are performed.	Concur	1.	included in the extrapolations, all FFRs are appropriately labeled, etc. These additional checks on the extrapolation will be developed with input from the statistician to ensure all checks that can be performed by AmeriCorps are included in the tool. Implement a documentation standard for the contracted support to provide evidence that quality control checks were performed on the extrapolations prior to providing them to AmeriCorps. Update the Payment Integrity SOP to include additional documentation requirements for the agency that shows the checks that were performed, lists the results of the data checks, and documents any data quality issues and corrections that were made to the workbooks.	9/1/2022
3	Perform additional reviews upon grants AmeriCorps program officers flag as state-funded prior to including/excluding grants from the sample pull payment populations.	Concur	1.	Update the Payment Integrity SOP and implement a standard to utilize the agency's internal grantee records system (eGrants) to confirm the exclusion of any FFRs from the population. Develop and implement a documentation standard to support any decision to exclude FFRs from the population.	9/1/2022
4	Reconcile the differences between grantees' internal accounting records and FFRs to determine the propriety of the component payments or require grantees to perform this reconciliation; or treat unmatched reporting errors as unknown payment errors in the projection of the improper payment estimate.	Concur	1.	Develop a comprehensive, agency-wide plan to perform more reconciliation work with grantees to confirm if the unmatched reporting errors are supported once this reconciliation is completed. Once the plan is implemented, analyze the results, and make a recommendation to agency leadership about inclusion of these as improper payments (if the analysis shows these unmatched errors cannot be supported) or exclusion as the study demonstrates these are reporting issues. Receive agency leadership decision surrounding the inclusion or exclusion of these unmatched reporting errors into future improper payment extrapolations.	8/30/2023
5	Implement appropriate oversight controls to ensure that the agency follows its documented S&EMP that is submitted to OMB. If changes are made in the execution of the methodology, update the S&EMP accordingly and re-submit to OMB if the changes meet the criteria outlined	Concur	1.	The PIIA team will perform an annual review, that is documented, of the current guidance and cross walk this with the current S&EMP to ensure that all criteria is met. This will occur in conjunction with the contracted statistician team. Submit the S&EMP to OMB, as needed.	6/30/2022

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	in OMB M-21-19 for S&EMP re- submission.				
6	Update its SOP to be current, consistent with the submitted S&EMP, and reflective of the statistical methodology as implemented.	Concur	1. 2.	Update the Payment Integrity SOP to ensure it is consistent with the most current guidance, including the S&EMP section of A-123, Appendix C. Update the Payment Integrity SOP to ensure it accurately reflects the current S&EMP employed by the agency.	10/15/2022

	Other Matter to Report - AmeriCorps May Not Adequately Evaluate all Risk Factors in its Risk Assessment								
	Departmental Corrective Action Plan Owner: Office of the Chief Risk Officer								
Audit Rec #	Recommendation	AmeriCorps Concurrence	Corrective Action Plan Steps	Planned Completion Date					
1	Ensure that its FY 2022 off-cycle risk assessment: a. Includes agency specific risk-factors for known risks related to process, funding, or technology changes. b. Considers significant changes in expenditures related to increased program funding due to the ARP. c. Specifically re-evaluates the AmeriCorps Trust Program considering the results of the OIG audit report AR-21-02.	Concur	 AmeriCorps will perform an off-cycle risk assessment in FY22 to account for the additional ARP funding and any agency- specific risk factors and relevant OIG reports. 	9/1/2022					
2	Share the results of the risk assessment with the OIG prior to finalizing the susceptibility determination for each Program to determine whether additional programs should we reviewed for improper payments.	Concur	 AmeriCorps will share the results of the risk assessment and elicit feedback from the OIG prior to providing the results to OMB. 	9/15/2022					

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