

COPY

MEMORANDUM

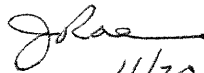
✓ **TO:** Hubert Sparks, Inspector General
FROM: Tom Hunter, Executive Director
DATE: November 15, 2000
SUBJECT: Casey County Enhanced 911 Project
OIG Report 00-27(H)
ARC Grant KY-12421-96

This is in response to the recent audit report for the subject project which concerned the creation of an enhanced 911 emergency dispatch system for Casey County. The audit report noted that the grantee had not met its local matching commitment at the time of the audit, and recommended that the grantee certify local match at closeout. Other recommendations noted that quarterly reports had not been filed and that the project had not been evaluated.

At the time of the audit, the project was still under way, and ARC understood that local match would not be generated until the end of the project period. The grantee has completed the project and has certified that local costs totaling \$326,526.88 were provided for the project. The costs submitted appear to be eligible and appropriate. The system is in operation at this time and no additional evaluation is needed. The grantee was encouraged to submit reports in a more timely manner if future ARC grants are awarded.

No further action is needed to resolve this report and final closeout will be completed. If there are questions, please contact Eric Stockton at 884-7752.

TH/es


11/20/00



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A New Vision*

Office of the Inspector General


August 16, 2000

MEMORANDUM FOR The Federal Co-Chairman
ARC Executive Director
ARC General Counsel

SUBJECT: OIG Reports 00-27(H), 00-32(H), 00-37(H), 00-38(H), and 00-49(H);
Grants KY-12421, AL-12306, KY-13127, KY-13016, and KY-12300

Enclosed are reports dealing with grants for an enhanced 911 system, a leadership development project, equipment for the Challenger Learning Center, strategic planning, and women in leadership.

The primary issue relates to grant AL-12306 Youth Leadership Incubator and the use of funds on pre-and post-student testing and surveys, which were not identified in the project scope, at the expense of activities intended to evaluate the project impact in schools, homes, churches, and communities and institutionalize the program at Auburn University.


Hubert N. Sparks
Inspector General

Enclosures

cc: Ms. Judy Rae



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Office of the Inspector General

August 2, 2000


Ms. Peggy Satterly, Program Manager
Department for Local Government
Division of Development Finance
1024 Capitol Center Drive
Frankfort, KY 40601-8024

re: OIG Reports 00-27(H) and 00-37(H); ARC Grants
KY-12421 and KY-13127

Dear Ms. Satterly:

Enclosed are copies of the subject reports.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosures



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Office of the Inspector General

July 31, 2000

Mr. Ronald Wright
Casey County Fiscal Court
P. O. Box 306
Liberty, KY 42539

re: OIG Report 00-27(H), ARC Grant KY-12421,
Enhanced 911 Project

Dear Mr. Wright:

Enclosed is a copy of our final report on the subject grant. As noted, the recommendations pertain to support for matching contribution and project completion; and we anticipate the final project report to ARC will address these issues.

A copy of the report is being provided to the Federal Co-Chairman, ARC Executive Director, and Kentucky State Alternate.

The courtesies and cooperation afforded the auditor were appreciated.

Sincerely,


Hubert N. Sparks
Inspector General

Enclosure

**MEMORANDUM REPORT ON REVIEW OF THE
CASEY COUNTY FISCAL COURT
LIBERTY, KENTUCKY**

Casey County Enhanced 911 Project

ARC Grant No: KY-12421-96

July 1, 1996 through December 31, 1999

CAUTION: *Certain information contained herein is subject to disclosure restrictions under the Freedom on Information Act, 5 U.S.C. 522 (b)(4). Distribution of this report should be limited to Appalachian Regional Commission and other pertinent parties.*

Report Number: 00-27

Date: July 27, 2000

**MEMORANDUM REPORT ON REVIEW OF THE
CASEY COUNTY FISCAL COURT
LIBERTY, KENTUCKY**

Casey County Enhanced 911 Project

ARC Grant No: KY-12421-96

July 1, 1996 through December 31, 1999

Prepared By:

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TO: Appalachian Regional Commission (ARC)
Office of Inspector General (OIG)

FROM: Tichenor & Associates
Louisville, Kentucky

REPORT FOR: The Federal Co-Chairman
ARC Executive Director
OIG Report No. 00-27

SUBJECT TO: Memorandum Review Report on Casey County Fiscal Court, Casey
County Enhanced 911 Project, Liberty, Kentucky. ARC Grant No: KY-
12421-96.

PURPOSE: The purpose of our review was to determine if (a) the total funds claimed for reimbursement by Casey County Fiscal Court for its Enhanced 911 Project were expended in accordance with the ARC approved grant budgets and did not violate any restrictions imposed by the terms and conditions of the grant; (b) the accounting, reporting and internal control systems provided for disclosure of pertinent financial and operating information; and (c) the objectives of the grant had been met.

BACKGROUND: Casey County is one of the smaller and poorer counties in the state of Kentucky. The county is presently in need of a centralized and improved 911 emergency call system. The present system is inefficient resulting in higher costs and duplicative services. Frequent flooding and the county's demographics have also contributed to the need for an improved system.

ARC awarded Grant Number KY-12421-96 to Casey County Fiscal Court for the period July 1, 1996 through December 31, 1999. An extension until September, 2000 was approved by ARC. The purpose of the grant was to provide funds to Casey County Fiscal Court at Liberty,

Kentucky, for the purchase of equipment and for hiring personnel to operate an enhanced 911 emergency system.

The ARC grant was for \$206,000, or 54 percent of actual, reasonable and eligible project cost. The Grantee was to provide local matching funds totaling \$176,600 in cash, contributed services, or in-kind contributions representing 46 percent of total project funding.

The objectives of the grant were as follows:

1. Purchase and install equipment for, and implement a county-wide Enhanced 911 emergency call system.
2. Hire eleven positions, including a Director/Coordinator, an Assistant Director/Coordinator and nine dispatchers.
3. Evaluate the project.

SCOPE: We performed a program review of the grant as described in the Purpose, above. Our review was based on the terms of the grant agreement and on the application of certain review procedures in accordance with the ARC, OIG Review Program. Specifically, we determined if the tasks listed above had been performed, if the accountability over ARC funds was sufficient as required by the applicable Office of Management and Budget (OMB) Circulars, and if Casey County Fiscal Court had complied with the requirements of the grant agreement. In addition, we discussed the program objectives and performance with Casey County Fiscal Court's personnel. Our results and recommendations are based on those procedures and were conducted in accordance with applicable Government Auditing Standards.

RESULTS: The following results were based on our review performed at the Casey County courthouse in Liberty, Kentucky on February 21 – February 23, 2000.

A. Incurred Costs

At the end of the initial grant period, December 31, 1999, Casey County Fiscal Court incurred total program costs of \$279,038, of which they claimed direct reimbursable costs of \$157,568 of ARC funds. An additional \$48,432 of ARC funding has yet to requested. We reviewed the direct and in-kind costs incurred and determined that the costs claimed by Casey County Fiscal Court were properly supported, allowable and were expended as reported. However, we noted that the required local match totaling \$176,600 was not met as of our review.

1. Local Matching Costs Totaling \$176,600 Have Not Been Met

The Casey County Fiscal Court was required to match 46% in cash, contributed services, and in-kind contributions, under the Enhanced 911 Project. Records provided by the Casey County

Fiscal Court indicated that local funds were being expended on an on-going basis. However, local expenditures totaled \$73,038 as of the end of the initial grant period, December 31, 1999.

OMB A-110, Subpart C, Post-Award Requirements, .23 Cost sharing or matching, states:

“(a) All contributions, including cash and third party in-kind, shall be accepted as part of the recipient’s cost sharing or matching when such contributions meet all of the following criteria.

(1) Are verifiable from the recipient’s records.

(2) Are not included as contributions for any other federally-assisted project or program.”

RECOMMENDATION:

We recommend that ARC assure that, upon project completion, the Casey County Fiscal Court supplies documentation supporting that the local matching requirement for this project was met.

B. Internal Controls

We determined that the Grantee had the following internal control weakness that affected the accountability of costs or compliance with the terms of the grant agreement:

1. Quarterly Project Progress Reports Were Not Submitted to the ARC

During the period of the grant, Quarterly Project Progress reports were not prepared and submitted to the ARC as required by the terms and conditions of the grant agreement.

OMB A-102, Subpart C, Section 41, para. (b)(3), Frequency, states:

“The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support.”

RECOMMENDATION:

We recommend that for future grants, Casey County Fiscal Court submit reports in accordance with grant agreement provisions.

C. Program Results

Our review of the Casey County Fiscal Court, Enhanced 911 Project, indicated that two specific tasks identified in the grant award notification, and summarized above, had not been achieved as of December 31, 1999. The specific tasks not achieved are discussed below.

1. Hire 11 positions, including a Director/Coordinator, an Assistant Director/Coordinator and 9 Dispatchers. As of December 31, 1999, the Enhanced 911 Project had not been completed and was not fully functional. All equipment has been purchased, but some pieces have not been set up and made operational. At this date, only 6 Dispatchers were employed for this project. Once the Enhanced 911 System has been made operational, the 911 Board of Directors will hire a Director/Coordinator, an Assistant Director/Coordinator, and 3 additional dispatchers.
2. Evaluate the project. The Enhanced 911 Project had not been completed at the time of our review. Therefore, the grantee has not evaluated the project.

RECOMMENDATION:

We recommend that Casey County Fiscal Court be required to report to ARC on the specific efforts being made to complete the objectives listed in the grant agreement. In addition, we recommend that Casey County Fiscal Court notify ARC when these objectives are accomplished.

DISCUSSION:

We discussed the issues with Casey County Fiscal Court executive management during an exit conference held on February 23, 2000. Management responded by stating that they came to work for the fiscal court in mid-project, and were not aware of many of the grant requirements, including progress reporting. The matching fund requirement had not been met at the time of our review, but the project is still ongoing and local funds continue to be expended. Management stated that the Enhanced 911 System is not yet operational. A 911 Board of Directors has been in place, and once the enhanced system is made operational, the board will hire a Director/Coordinator and Assistant Director/Coordinator to run the operation. Six dispatchers have been hired to date. Once the Enhanced 911 System is operational, the remaining three dispatcher positions will be filled, bringing the total number of dispatchers to nine. Management also stated that they would contact their ARC representative for further help and request a time extension to complete the project.

OTHER:

We provided a copy of the draft report to Casey County Fiscal Court executive management on March 21, 2000. Management responded by stating that they had received an extension to complete the project, because of equipment not being in place and in working order. The new completion date is September 2000. Management also stated that they agreed with the review

findings and had recently hired an E-911 supervisor.

ADDITIONAL COMMENTS AND RECOMMENDATIONS:

We recommend that ARC require the grantee to provide support for the 54% matching requirement when the project is completed in September, 2000. We also recommend that ARC require the grantee to submit a final report that details the ARC and local matching funds incurred for the enhanced 911 emergency system and confirmation that the grantee has hired and in place the eleven positions, including a Director/Coordinator, an Assistant Director/Coordinator and nine dispatchers as required by the grant agreement for proper operation of the system.


TICHENOR & ASSOCIATES, LLP

Louisville, Kentucky

February 23, 2000