

**MEMORANDUM REPORT ON REVIEW OF THE
KENTUCKY COUNCIL OF AREA DEVELOPMENT DISTRICTS
FRANKFORT, KENTUCKY**

East Kentucky Women in Leadership

ARC Grant No: KY-12300-96-RI-302

February 1, 1996 through August 31, 1999

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Report Number: 00-49(H)

Date: August 9, 2000

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

FROM: Tichenor & Associates, LLP
Louisville, Kentucky

REPORT FOR: The Federal Co-Chairman
ARC Executive Director
OIG Report No. 00-49(H)

SUBJECT TO: Memorandum Review Report on Kentucky Council of Area Development
Districts (KCADD), East Kentucky Women in Leadership Program,
Frankfort, Kentucky. ARC Grant No: KY-12300-96-RI-302.

PURPOSE: The purpose of our review was to determine if (a) the total funds claimed for reimbursement by KCADD for its East Kentucky Women in Leadership Program 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: ARC awarded Grant Number KY-12300-96-RI-302 to KCADD for the period February 1, 1996 through August 31, 1999. The purpose of the grant was to provide funds to the KCADD to provide leadership training, networking opportunities, and local project support for women throughout eastern Kentucky. The grant would allow East Kentucky Women in Leadership (EKWIL) to target women who are traditionally left out of leadership and community activities in the Appalachian region.

The three-year ARC grant was for a total of \$155,100, or 78 percent of actual, reasonable and

eligible project cost. Local matched funds totaling \$42,500 represented 22 percent of total project funding.

The following specific tasks were to be performed:

1. Develop a series of workshops and a conference designed to provide training opportunities to women in various aspects of leadership.
2. Establish a mentoring program to match women who are already in leadership positions with emerging women leaders.
3. Develop a resource directory and a newsletter to keep project participants informed about the program and other training opportunities.
4. Award eight (8) scholarships for additional training at programs such as the Ms. Institute for Women in Economic Development and the Kentucky Women's Leadership Network.
5. Evaluate the program.

SCOPE: We performed a 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 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 KCADD had complied with the requirements of the grant agreement. In addition, we discussed the program objectives and performance with KCADD'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 KCADD executive offices in Frankfort, Kentucky on July 19-21, 2000.

A. Incurred Costs

KCADD incurred total program costs of \$230,502, of which they claimed and received direct reimbursable costs from February 1, 1996 through August 31, 1999 of \$155,085 from the ARC grant. We reviewed the direct and in-kind costs incurred and determined that the costs claimed by KCADD were properly supported, allowable and were expended as reported. However, the special report required by the grant agreement was not submitted to ARC. This issue is discussed below.

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. A Special Report Was Not Submitted to the ARC

During the period of the grant, a special report was not prepared and submitted to the ARC as required by the terms and conditions of the grant agreement.

Grant Agreement, Article 2-9.1, Special Report, states:

“Grantee shall submit one copy each of the resource directory, newsletters, and any materials prepared for or as a result of the workshops, training sessions and conference to the ARC Project Coordinator.”

RECOMMENDATION:

We recommend that the ARC require the KCADD to submit all documents and other materials as defined in the Special Report, in accordance with grant agreement provisions.

C. Program Results

Our review of the KCADD, East Kentucky Women in Leadership, indicated that one specific task identified in the grant award notification, as summarized above, had not been achieved as of August 1, 1999. The specific task is discussed below.

1. Establish a mentoring program to match women who are already in leadership positions with emerging women leaders. The grantee stated that although attempts were made to establish a mentoring program, problems inherent in the region made it difficult to get a mentoring program started, plus, the word “mentor” itself may proved a barrier to success.

RECOMMENDATION:

We recommend that the KCADD report to the ARC on the specific efforts made to establish a mentoring program for women in eastern Kentucky and the problems encountered with these efforts.

DISCUSSION:

We discussed the issues with KCADD management during an exit conference held on July 21, 2000. Management responded by stating that they did submit a copy of the newsletter and brochure along with normal quarterly reports, but was unaware that a special report was required. It was also explained that a copy of the resource directory was not sent because of its large size.

Management also explained that attempts were made to start a mentoring program, but problems in the region made it difficult to get a program established.

Tichenor & Associates, LLP

TICHENOR & ASSOCIATES, LLP

Louisville, Kentucky

July 21, 2000