February 28, 2012

TO: Federal Co-Chairman
ARC Executive Director

FROM: Hubert Sparks
ARC Inspector General

SUBJECT: Inspection Report No. 12-07, Report on the Planning, Development and Technical Assistance Work of the Southern Tier Central Local Development District (NY-2337-C38, C39,C40, & C40-R1)

GRANTEE: Southern Tier Central Regional Planning and Development Board

Attached is our inspection report of ARC's Local Development District grants to the Southern Tier Central Regional Planning and Development Board (STC) in Corning, New York. The inspection reviewed the activities of STC as they pertained to ARC grant funds for the period from January 1, 2009 through September 30, 2011.

The inspection found that grant funds were being expended as expected and progress was being made to meeting established goals. No concerns were noted in meeting grant requirements, except for a weakness in the area of cash receipt controls and related review activities. A recommendation was made to address these concerns and the STC Executive Director agreed to improve STC's controls. We consider the recommendation closed.

Hubert Sparks
Inspector General

cc: D. Neff

Attachment