

American Recovery and Reinvestment Act Oversight Update

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Agenda

- Brief Recap of June 17, 2010 Stimulus Oversight Commission Presentation
- Status of Federal Inspector General Audits
- Status of Auditor General Audits
- Status of Bureau of Audits Engagements
- FYE 6/30/09 Single Audit Results
- Wrap-up

Recap of June 17, 2010 Stimulus Oversight Commission Presentation

- The Government Accountability Office's last bi-monthly review of PA's management oversight of stimulus funds was underway
- Office of Budget's Bureau of Audits conducted a risk assessment to identify high risk ARRA programs and coordinated activities with federal audit entities
- PA's first year of federal stimulus funds had been audited but the single audit report had not been released
- No instances of fraud or abuse had been reported

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Status of Federal Inspector General Audits

Federal OIG	Program	Status
Energy	Weatherization Assistance	Report Issued with Recommendations
Education	Title I, IDEA, SFSF (State)	Report Issued with Recommendations
Education	Title I, IDEA, SFSF (LEA)	Report Issued with Recommendations
Justice	Victims of Crime Grants	Report Issued with Recommendations
Defense	PA Army National Guard	Report Issued with Recommendations
Labor	WIA Youth	Report Issued; No Recommendations
Labor	Equal Employment Laws	Report Issued; No Recommendations
Agriculture	WIC-EBT	Report Pending
Energy	Energy Efficiency & Conserv.	Report Pending
Interior	PA MAP	Report Pending

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Status of Auditor General Audits

- One ARRA-related audit has been issued of PENNDOT’s contract procurement program
- Three ARRA -related audits are still underway:
 - Department of Corrections Operations;
 - Department of Labor and Industry Workforce Development Program; and
 - Department of Public Welfare Electronic Benefits Transfer

Status of Office of the Budget, Bureau of Audits’, ARRA Engagements

Type of Audit	Completed	In Process
Agency program audits	2	3
External audits of grantees or construction projects	94	15

Office of the Budget, Bureau of Audits, Completed ARRA Program Audits

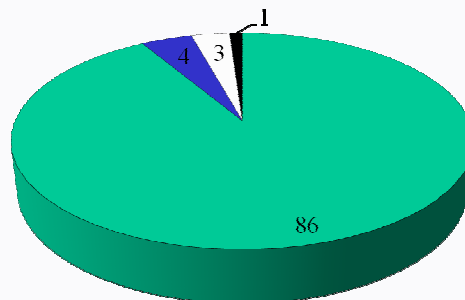
- PDE/DOC – State Fiscal Stabilization Fund
 - Recommendations were provided for the following:
 - Grant award notification to grantees and
 - Monitoring of grantees.

- DEP – State Energy Program
 - Recommendations were provided for the following:
 - Improperly supported costs of \$5,000 (Total project costs of \$2M);
 - Verification of the grantees and contractors against the federal excluded parties listing;
 - Monitoring of Davis Bacon Act compliance
 - Review of grant and reimbursement documentation

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Office of the Budget, Bureau of Audits, Completed External Audits of ARRA Funded Grants

- PENNDOT Projects
- PENNVEST Projects
- Workforce Investment Agencies
- Title I/IDEA CCS



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Office of the Budget, Bureau of Audits, Completed External Audits of ARRA Funded Grants (continued)

- The following represents the most common areas where recommendations were made as a result of our external audits:
 - Discrepancies in reporting ARRA jobs (both over and understatements);
 - Inadequate controls over prevailing wage (Davis Bacon Act);
 - Inadequate policies/cost allocation plans; and
 - Inadequate supporting documentation.

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Office of the Budget, Bureau of Audits, ARRA Audits In Process

- Weatherization Assistance
 - One program audit
 - 11 external grantee audits
- Homelessness Prevention and Rapid Re-housing
 - One program audit
- PENNVEST
 - One program audit
 - Four external grantee audits

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Fiscal Year End 6/30/09 Single Audit Results

- 57 Single Audit Findings were reported
 - 45 of the 57 findings were related to ARRA funding streams
 - 34 were repeated from FYE 6/30/08
 - 18 were new (8 ARRA specific)
- Most common reason for new ARRA findings was inadequate monitoring of subrecipients of federal stimulus funds

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Wrap-Up

- Federal oversight agencies have been following-up on Federal Inspector General audits and have been in agreement with state agency corrective action plans
- Deficiencies relative to jobs reporting and prevailing wage payments appear to have been corrected at this time
- The Accountability Office has provided grants management training to the state agencies and has worked with them to develop monitoring plans
- To date, no instances of fraud have been identified

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