OFFICE OF THE INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE

Audit of Controls Over the Corporation for National and Community Service's Key Performance Indicators and Accomplishment Statistics

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Prepared by:

KPMG LLP
2001 M Street N.W.
Washington, DC 20036

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This report was issued to Corporation management on August 2, 2001. Under the laws and regulations governing audit follow up, the Corporation must make final management decisions on the report's findings and recommendations no later than January 29, 2002, and complete its corrective actions by August 2, 2001. Consequently, the reported findings do not necessarily represent the final resolution of the issues presented.

CORPORATION
FOR NATIONAL
SERVICE

Office of Inspector General
Corporation for National and Community Service
Audit Report 01-28

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OIG Introduction

CNS OIG engaged KPMG LLP to assess the internal controls related to the existence and completeness of key indicator and accomplishment statistics included in the Corporation for National Service's Fiscal 2000 Performance Report. This report presents the results of that audit. Overall, KPMG concluded that the Corporation's key internal controls over the performance information need improvement. Their audit revealed, among other findings, that the Corporation lacks policies and procedures to assure that the statistics in its Performance Report are accurately compiled and reported and does not require that the data is reviewed at its point of origin. The report contains 19 specific recommendations to improve the controls, the performance data, and the resulting report.

CNS OIG participated in the development of the scope and methodology for this audit and reviewed the report and the supporting work papers to assure its compliance with Government Auditing Standards. In accordance with those standards, we provided a draft of the report to the Corporation management for their review and comment.

The Corporation's response is included in its entirety in Appendix IV. As discussed on page 3 of the report and in greater detail in Appendix IV, the response distorts the report's overall conclusion. It also indicates that Corporation management disagrees with certain of the findings and recommendations. Both KPMG and OIG considered the response; however, other than to deal with the Corporation's response, we made no substantive changes to the report. CNS OIG concurs with KPMG's conclusions and recommendations, and we believe that the report's recommendations, if properly implemented, would result in significant improvements in the controls over the Corporation's performance information.

Inspector General
1201 New York Avenue, NW
Washington, DC 20525

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2001 M Street, N.W.
Washington, D.C. 20036

May 18, 2001

Inspector General
Corporation for National and Community Service:

At your request, KPMG LLP audited the Corporation for National and Community Service's controls over the existence and completeness of certain performance statistic indicators reported in its Fiscal 2000 Performance Report. The Performance Report includes "key indicators" with corresponding goals and the results related to such goals as well as accomplishment statistics and outcomes. The key indicators are, for the most part, compiled from databases that the Corporation maintains. Corporation staff compiled accomplishment statistics for the AmeriCorps National Civilian Community Corps. A contractor, Aguirre International, compiles accomplishment statistics from surveys sent to programs and their project participants for AmeriCorps State and National, AmeriCorps VISTA and National Senior Service Corps. The outcomes are compiled from the results of program evaluations conducted by various Corporation contractors.

Our audit objectives were (1) to obtain an understanding of, and document, the components of internal control related to the existence and completeness of the Corporation's performance measures and (2) to determine whether controls have been placed in operation and assess their effectiveness. The audit was performed in accordance with *Government Auditing Standards* and considered the requirements for assessing the internal control of performance measurement data, as established in OMB Bulletin No. 01-02, *Audit Requirements for Financial Statements*. This audit was performed separately from the audit of the Corporation's financial statements because the Corporation does not include performance measures in its financial reports; instead, the Corporation issues its performance information as a separate Performance Report.

As described in Appendix II, our audit scope was limited to testing controls over a sample of the Fiscal 2000 Performance Report's key indicators and accomplishment statistics. When selecting certain key indicators and accomplishment statistics for testing, we considered those statistics that were related to the Corporation's largest programs, as well as the risks associated with compiling reasonably accurate performance information. We did not test controls over the outcome information because the program evaluation process was not within the scope of our audit.

KPMG LLP KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

Results in Brief

Based on the results of the limited procedures we performed, we concluded that the Corporation's key controls over the existence and completeness of key performance indicators and accomplishment statistics need improvement. Overall:

- The Corporation did not have comprehensive policies and procedures in place to assure the statistics in its Fiscal 2000 Performance Report were accurately compiled and reported.

- The Corporation's data validation process, as described in the appendix of its Fiscal 2000 Performance Report, did not include a review of a representative sample of supporting source documentation at the point of origin.

- Corporation State Offices - The state office staff, who have the most knowledge of the programs in their respective states and have direct interaction with the projects or stations, were not involved, when appropriate, in the performance statistic reporting process related to the programs for which they are responsible – AmeriCorps VISTA and National Senior Service Corps.

- National Senior Service Corps - The Corporation could not verify that all National Senior Service Corps RSVP stations were included in the survey for RSVP accomplishments conducted by Aguirre International because the Corporation does not believe the projects provided a complete listing of stations.

- Learn and Serve America - The Corporation assessed the data used to compile key performance indicators and accomplishment statistics as having a lower level of accuracy than other systems used by the Corporation. The Fiscal 2000 Performance Report does not indicate that these statistics may not be based on exact numbers unless one reads the report's Appendix A: Data Quality.

For the 12 key indicators out of a population of 50 that we tested, as presented in Appendix I, we determined that eleven were reasonably accurate. The exception was the Learn and Serve America key indicator. For each indicator in Appendix I that originated from a Corporation database, we reviewed the text (data query language) of the programming commands used to extract and summarize the required data from the respective database. Based on our review, we concluded that the programming commands produced the reports used to develop the performance indicators.

However, with the exception of the VISTA key performance indicator, KPMG did not conduct audit procedures on the underlying data of the respective databases, nor did we extrapolate the results of our procedures to the rest of the other 38 indicators, because:

To the extent the source of the other 38 key indicators was a database, our review of data queries and the compilation process was limited to the 11 key indicators we tested (1 of the 12 key indicators we tested, the Learn and Serve America indicator, was not generated from a database).

Additionally, if the source of the key indicator was not a database, (such as periodic progress reports received by the Corporation and reports issued by another entity), we did not review the process and did not review the Corporation's supporting documentation. Accordingly, we can only provide conclusions based on the 12 key indicators tested.

We also concluded that the accomplishment statistic tested in Appendix I for AmeriCorps NCCC relating to the number of trees or shrubs planted appears to be reasonably accurate.

The section below entitled Findings and Recommendations describes in further detail the internal control weaknesses presented above and addresses additional issues noted during the audit. We have provided a draft of this report to the Corporation. The Corporation's responses to our findings and recommendations and our comments on the Corporation's responses are included as Appendix IV. In its response, the Corporation has mischaracterized the results of our audit by stating:

> "Overall, the report's characterization that our data are accurate, that our procedures are replicable....are findings that we are pleased to share with Congress and the American people."
>
> "The audit report finds that the Corporation's performance indicators are 'reasonably accurate.'"

Our conclusion that data is "accurate" or "reasonably accurate" relates only to our assessment of the database controls and their effect on the accuracy of the performance information contained within the 12 key indicators tested. In contrast, with the exception of the VISTA key performance indicator, we did not test the controls over the database input, much of which was compiled from various sources outside the Corporation. Therefore, we cannot determine the accuracy or completeness of the raw data used to compile the performance statistics. In addition, we cannot extrapolate the results of our procedures to the rest of the other 38 indicators. Accordingly, we can only conclude on the 12 key indicators tested.

Additionally, the Corporation, in its response, did not concur with certain recommendations. We believe that we have reached the correct conclusions based on the results of our audit and representations made by the Corporation. No substantive changes were made to this audit report as a result of the Corporation's response to our draft audit report. We continue to believe our recommendations presented in the Findings and Recommendations section of this report, if implemented, will result in improvements to internal controls over the compilation and reporting of performance statistics.

KPMG

Background

The Corporation uses Government Performance and Results Act of 1993 (GPRA), Public Law 103-62, as the legislative framework to set strategic goals, measure performance, and report the extent to which goals were met. GPRA requires federal agencies to develop strategic plans that include the agency's mission statement, long-term strategic goals and how the agency plans to achieve those goals with its resources. The Corporation submits an annual performance plan to the Office of Management and Budget (OMB). The performance plan provides a link between the Corporation's strategic goals and manager and employee activities. The plan sets forth the Corporation's annual performance goals and identifies the key performance indicators and accomplishment statistics that the Corporation will use to assess its progress.

The Corporation, pursuant to GPRA, prepares an annual report on program performance. In its Fiscal 2000 Performance Report, the Corporation compared its actual FY 2000 performance to its goals. The Corporation reported 50 key indicators with 50 corresponding goals, 76 accomplishments, and 49 outcomes. To the extent a goal was not met, the Corporation provided an explanation of why the goal was not met and what its plans were for meeting the goals in the future.

Although not required by GPRA, the Corporation also reported selected samples of its accomplishment statistics. The accomplishment statistics are generally intermediate outcomes of the activities of a given program. No goals are set for the accomplishments; therefore, no comparisons are made between the accomplishments and their expected results. Accomplishment reports are prepared annually for AmeriCorps State and National, AmeriCorps VISTA, AmeriCorps NCCC and the National Senior Service Corps.

The Corporation also reported end outcomes for its programs in the Fiscal 2000 Performance Report. For instance, the FY 2000 AmeriCorps tutoring program's end outcome is described in the report as 'students participating in AmeriCorps tutoring programs improved their reading performance from pre-test to post-test more than the gain expected for the typical child at their grade level'. The end outcomes of Corporation's programs are generally established by independent program evaluation studies.

The Corporation also reported performance information in its testimonies to Congress and included performance information when it prepared a document designed to inform the new Administration about the Corporation's program and objectives, titled 'Transition Briefing Book' (November 2000). The document presents a brief synopsis of the mission, programs and selected accomplishments of the Corporation's programs.

This report is intended solely for the information and use of the Office of the Inspector General, the management of the Corporation for National and Community Service, and the United States Congress and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Findings and Recommendations

Key Performance Indicators and Accomplishment Statistics Compilation and Reporting

1. Lack of written policies and procedures

A sound internal control environment for compiling and reporting key performance indicators and accomplishment statistics includes written policies and procedures that explicitly describe:

- Personnel accountable for compiling the performance statistics at headquarters and field offices as well as contractors, if any;
- Defined roles of personnel who will compile and review the key performance indicators and accomplishment statistics;
- Methodology for the review of the key performance indicators and accomplishment statistics;
- The type and degree of data validation at headquarters, field offices and project or station sites;
- Certification of reported data by responsible personnel;
- Planned timeline of the compilation and reporting process; and
- Policies for retention of supporting documentation.

Although the Corporation's headquarters has issued data calls to compile key performance indicators and accomplishment statistics, we found no evidence of formalized, written policies and procedures for the collection, compilation, review, reporting, validation and record retention of key performance indicators and accomplishment statistics.

Additionally, there were no formal procedures, manuals or guidelines for the compilation of the accomplishment statistics covering the process and related internal controls at Aguirre International, the firm hired to compile accomplishment statistics for AmeriCorps State and National, AmeriCorps VISTA, and National Senior Service Corps programs. (Aguirre International had written procedures for the data entry process.) The absence of policies and procedures resulted in the findings described below:

Lack of guidance for data validation during site visits

We found that project site visits by state office and headquarters personnel did not include data validation procedures (verification of data at the point of origin), review of relevant internal control, or review of performance statistic compilation. Current site visit procedures do not require testing of controls at the point of origin. Absence of this control procedure increases the risk that errors or omissions with respect to the compilation and reporting of program statistics are not being identified in a timely manner for follow-up and resolution. In addition, by not reviewing key performance indicators and accomplishment statistics at the project sites, the Corporation is foregoing

an opportunity to validate key performance indicators and accomplishment statistics. The information gathered at the project sites is now entered into the Web Based Reporting System (WBRS), which is also available to the state offices, state commissions and national direct programs. With the implementation of WBRS, it is imperative that controls over the accuracy and timeliness of data input exist because the paper trail has been eliminated.

We also found that visits to sites by state office personnel and visits to the contractor (Aguirre International) compiling accomplishment statistics by headquarters staff were not always documented. There are no current requirements to document the review of key performance indicators and accomplishment statistics during site visits. Documentation provides evidence that certain procedures were performed and that issues, if any, are identified and addressed. (See Finding 4)

Lack of Corporation state office review of certain key performance indicators and accomplishment statistics

The Corporation did not involve state offices, when appropriate, in the performance statistic reporting process related to the programs they are responsible for – AmeriCorps VISTA and National Senior Service Corps. The Corporation state offices are responsible for approving, monitoring and administering the work related to these two programs. However, Aguirre International compiled the accomplishment statistics of these two programs without substantial involvement of the state offices. (See Finding 7)

Lack of supporting documentation on management review of key performance indicators and accomplishment statistics

The program directors of AmeriCorps State & National, AmeriCorps VISTA, AmeriCorps NCCC, AmeriCorps National Senior Service Corps, and Learn and Serve America asserted that they conducted reviews of the key performance indicators and accomplishment statistics reported in the Fiscal Year 2000 Performance Report. However, supporting documentation of the reviews was not provided. Documentation provides evidence that certain procedures are performed and those issues, if any, are identified and addressed. (See Finding 2)

Lack of documented evidence that contractor had appropriate oversight and incomplete presentation of data

We were not provided with adequate documentation evidencing oversight of the contractor, Aguirre International, by the Director of Evaluation during FY 2000. This resulted in the Corporation's inability to determine the quality of oversight on Aguirre International. For instance, we found no documented evidence that the Corporation addressed the issue of an incomplete RSVP station population during visits to Aguirre International. The survey that was subsequently conducted was incomplete because not all stations were subjected to sampling. (See Findings 5 & 10)

Broadly stated key performance indicators and accomplishment statistics that are not clearly defined

Certain key performance indicators and accomplishment statistics contained in the Fiscal Year 2000 Performance Report were not well defined. The lack of a clear description for a measurement or the subject of a measurement could cause readers to interpret the statistics differently or to draw different conclusions as to the meaning of the key indicator or accomplishment statistic. For example, the performance indicators "at-risk youth assisted", "veterans and senior citizens assisted" and "elderly clients served by senior companions" do not clearly define for the reader what age group or types of people are being assisted or served or what exactly was done to assist them. The report should contain a definition of the groups and describe the nature of assistance provided to them, so that any report reader can interpret the data in its proper context. (See Finding 6)

2. Undocumented certification process

After we began our audit, the Corporation initiated a data reliability certification process for the key performance indicator information. Although we received certifications signed by program managers attesting to their review and that the key performance indicators for which they were responsible are reasonable, no policy presently establishes the basic requirements for reviewing or testing the information prior to certification and no requirements exist for documenting the procedures that were performed.

Moreover, the certifications did not extend to the accomplishment statistics, which are accorded considerable space and attention in the performance report. Certification by the respective program director signifies that the accomplishments statistics have been reviewed and deemed accurate and reliable. The Corporation indicated that these accomplishment statistics were based on estimates and were self-reported by the projects. Additionally, the Corporation stated that it did not expect the statistics to have a high level of accuracy. It is noteworthy that the Director of the National Service Trust certifies the key performance indicators generated by the National Service Trust database, not the respective program director who is responsible for the program.

In response to our inquiries about the management review process over the reasonableness of the reported key performance indicator and accomplishments, program managers asserted that they had assessed the performance data for reasonableness and relevance by comparing the statistics with similar data from previous years, with current year budgeted amounts, and with the goals established for the key indicators. They also stated that their review process had included regular meetings at CNS headquarters and conference calls with field offices.

3. Inadequate data validation

OMB Circular No. A-11, Part 2, *Preparation and Submission of Strategic Plans, Annual Performance Plans, and Annual Performance Reports*, Section 220.12(a) states, relative to data validation, "The means used should be sufficiently credible and specific to support the general accuracy and reliability of the performance information that is

recorded, collected, and reported." Although the Corporation's data validation process is described in the appendix of its Fiscal Year 2000 Performance Report, validation of key performance indicators and accomplishment statistics did not include a review of a representative sample of source documents at their point of origin. The Corporation states that its resources do not permit this type of validation. An assessment of those key performance indicators and accomplishment statistics possessing the greatest risk of misstatement based on their method of compilation would assist in defining the nature and extent of data validation necessary. Without adequate validation, the Corporation key performance indicators and accomplishment statistics reported in the Fiscal Year 2000 Performance Report may not be reliable.

4. Lack of guidance for data validation during site visits

Although site visits are periodically conducted by Corporation state office and headquarters staff who typically visit program sites where the services are being rendered, we found that project site visits by such staff members did not require a review of internal controls over performance statistic compilations or data validation (verification of data at the point of origin), due to a lack of policies and procedures requiring validation of key performance indicators and accomplishment statistics. Data integrity has become even more critical with the implementation of WBRS. The information gathered at the project sites is now entered into WBRS, which is available to the programs in the states, state offices, state commissions and national direct programs. By not requiring review of key performance indicators and accomplishment statistics during site visits, the Corporation is limiting its ability to assess the reliability of performance data it receives from WBRS. We believe the additional effort of expanding the scope of site visits to include internal control review, data validation, and review of key performance indicators and accomplishment statistics, for those measures with the greatest risk for misstatement, would be minimal and would enable the Corporation to better assess the reliability of the data it receives.

Additionally, we found that state office and headquarters personnel did not always document site visits because no policies and procedures mandate this step. Documentation provides evidence that certain procedures were performed and that issues, if any, are identified and addressed. The lack of documentation increases the risk that issues will not be properly identified for follow-up in a timely manner.

5. Aguirre International

Lack of formal compilation and reporting policies and procedures

Aguirre International, the firm hired to compile accomplishment statistics for AmeriCorps State and National, AmeriCorps VISTA, and National Senior Service Corps programs, did not have formal procedures, manuals or guidelines for the compilation of the accomplishment statistics covering the process and related internal controls it uses to compile data. (Aguirre International had written procedures for the data entry process.)

In response to our inquiries on accomplishment reporting, Aguirre International described a very involved and complicated set of procedures to compile and report the Corporation's accomplishments for the Fiscal Year 2000 Performance Report. The procedures included the method of obtaining a database of survey participants, a survey plan, a statistical sampling plan and a method of projecting results (when appropriate), a method for analyzing results, and accomplishment statistics for accuracy and follow up with survey participants. Aguirre International indicated that its personnel were very familiar with the process, as they have been conducting the accomplishment reporting for the past several years. However, a lack of written policies and procedures may result in the inability of new personnel to perform the compilation and reporting of accomplishment statistics. Additionally, the absence of policies and procedures as a criteria for compiling performance data may result in current personnel not completely and/or accurately following the compilation procedures.

Data collected for more than 500 accomplishments

For purposes of reporting the FY 2000 accomplishment statistics, Aguirre International collected numerous accomplishment statistics, and then the Corporation selected certain ones for reporting. The number of accomplishments collected by Aguirre International for AmeriCorps State and National, AmeriCorps VISTA and National Senior Service Corps programs was 485. Additionally, a total of 35 accomplishments were separately compiled by AmeriCorps NCCC. From the total of 520 accomplishment statistics collected, only 76 or 15% were reported in the Fiscal Year 2000 Performance Report.

The Corporation has not conducted a cost-benefit analysis with respect to the number of accomplishment statistics to be reported. It may be more efficient and cost beneficial for the Corporation to reduce the number of statistics collected to those that will actually be reported and to reallocate funding resources to other tasks, such as data validation and program administration. Without an adequate cost-benefit analysis, the Corporation may not be effectively using its limited resources.

Lack of documented evidence of contractor oversight

We also noted that the Corporation's controls over Aguirre International were limited to periodic visits to Aguirre International and contract compliance reviews by the Director of Evaluation and respective task managers. However, the Director did not provide us with any documentation of site visits or compliance reviews for AmeriCorps State and National program. While there are no formal policies and procedures requiring documentation of site visits, documentation provides evidence that certain procedures were performed and that issues, if any, are identified and addressed. Lack of documentation could cause relevant issues to remain unidentified for follow up.

Recommendations

We recommend that the Corporation implement the following:

- Establish and institutionalize written policies and procedures that, among other things, explicitly describe:
  - personnel accountable for compiling the key performance indicators and accomplishment statistics at headquarters, field offices and contractors, if any;
  - roles and responsibilities of personnel who are responsible for the compilation and review of the key performance indicators and accomplishment statistics;
  - identification of key controls for performance information compiled by contractors;
  - methodology for the review of the key performance indicators and accomplishment statistics;
  - method and degree of data validation required at headquarters, field offices, and project or station sites;
  - anticipated timeline for the compilation and reporting process; and
  - policies for retention of supporting documentation.

- Through the formulation of policies and procedures, require documentation that describes the procedures performed to support the certification by program managers. Additionally, certification should be extended to accomplishment statistics.

- Conduct a risk assessment of key performance indicators and accomplishment statistics and formulate a data validation process for key performance indicators and accomplishment statistics. The validation process should include a review of a representative sample of source documents at their point of origin during site visits. Additionally, the Corporation should develop and implement procedures to conduct and document the results of site visit testing of performance data, where applicable, including strengths, weaknesses, concerns, recommendations, and any necessary follow up requirements.

- Through the formulation of policies and procedures, require program directors of AmeriCorps State & National, AmeriCorps VISTA, AmeriCorps NCCC, National Senior Service Corps, and Learn and Serve America, to document and retain evidence of their review of key performance indicators and accomplishment statistics included in the performance report.

- Review all accomplishment statistics compiled by Aguirre International and reduce the number of accomplishment statistics collected by Aguirre International to those that will be reported. Conduct a cost-benefit analysis

with respect to the number of accomplishment statistics to be reported, as appropriate, and reallocate funding resources to other tasks, such as data validation or managing the program.

- Require Aguirre International or any other contractor to formulate written procedures for its accomplishment compilation and reporting.

- Formulate written procedures that include the identification of key controls for performance information compiled by contractors. The Corporation should incorporate such requirements in its contracts with data collection firms, such as Aguirre International.

- Require, through policies and procedures, the Director of Evaluation to document visits to Aguirre International or any other contractor and contract compliance review.

6. Broadly stated key performance indicators and accomplishment statistics that are not clearly defined

Certain key performance indicators and accomplishment statistics contained in the Fiscal Year 2000 Performance Report were not well defined. The lack of a clear description for a measurement or the subject of a measurement could cause readers to interpret the statistics differently or to draw different conclusions as to the meaning of the statistic. For example, the performance indicators "at-risk youth assisted", "veterans and senior citizens assisted", " number of children with special and exceptional needs served by foster grandparents" and "elderly clients served by senior companions" do not clearly define for the reader what age group or types of people are being assisted or served. The report should contain a definition of the groups and describe the nature of assistance provided to them, so readers of the report can interpret the data in its proper context. In certain instances, a footnote at the end of the table may be warranted to explain the measure being presented. Similarly, a clear definition of the statistics would help to assure the consistency of information provided by program sites or others submitting data to be compiled for the Performance Report.

Recommendation

We recommend that the Corporation standardize definitions of measures that could lead to different interpretations of accomplishments or different conclusions as to which measures were used to compile the statistics. The definitions should be included in the Performance Report's discussion of the key performance indicators and accomplishment statistics and to the programs at the onset of the program year.

7. *Lack of state office involvement in the performance reporting process*

The Corporation did not involve state offices, when appropriate, in the performance statistic reporting process related to the programs they are responsible for – AmeriCorpsVISTA and National Senior Service Corps – because there were no policies and procedures requiring such involvement in the reporting process. The Corporation state offices are responsible for approving, monitoring and administering the work related to the AmeriCorpsVISTA and National Senior Service Corps programs. Consequently, they are the most knowledgeable of the programs in their respective states and have direct interaction with the projects or stations.

However, Aguirre International complied the accomplishment statistics of these two programs without substantial involvement of the state offices. Aguirre International sent surveys directly to the projects or stations. State office involvement was limited to following up with those projects or stations that did not respond to the survey. Additionally, the projects under National Senior Service Corps programs sent their progress reports directly to the Corporation's headquarters, bypassing the state offices. The Corporation's headquarters asked the state office to intervene only if the project failed to provide the required data. The state office staff indicated that they should be involved in the process, especially the validation of data, among other things. By not including the state offices in the reporting process, the Corporation may not be completely and accurately reporting its key performance indicators and accomplishment statistics.

Recommendation

We recommend the state offices participate in the key performance indicators and accomplishment statistics compilation and verification process, particularly for the AmeriCorpsVISTA and National Senior Service Corps programs, as they are most knowledgeable of the programs in their respective states and have direct interaction with the projects or stations.

8. *AmeriCorps – State and National*

Lack of distinction between reported levels of effort

Activities that require distinct levels of effort should be differentiated and accompanied by adequate disclosure to prevent misleading readers of the performance report. For example, the statistics reported for "number of students tutored or mentored", made no distinction between a student tutored for a few days versus a student tutored for most of the program year. The statistic was compiled and reported without distinguishing the level of effort or frequency of tutoring activity. In another example, with respect to the statistics reported representing the pounds of food distributed at a food distribution center for the needy, our inquiry to Aguirre International indicated that the unit of measure was not uniformly defined. An AmeriCorps member may be participating with other non-AmeriCorps volunteers and employees in an event, but take credit for all pounds of food that the group delivered. Such situations result in inaccurate reporting and form an inaccurate picture of the project's levels of effort.

Projects were not advised of accomplishment statistics compilation requirements at the beginning of the project

The data required for annual reporting of accomplishment statistics should be identified and defined at the beginning of the project to reduce the risk of inaccurate reporting by project leaders. The parameters for any anticipated data collection should be well defined and the responding entity made aware of them so as to enable them to plan and record data accordingly. At the Virginia State Commission, for example, we were informed that the projects are required to periodically report project progress on an OMB-approved form, which is given to the project director. The reporting parameters for accomplishments are described on the OMB-approved form. However, Aguirre International sent the projects performance reporting survey forms that required information on items that were not originally selected as data points (e.g. how many trash bags collected in a given period) on the OMB form. Since the project directors could not anticipate the need to record this data, they were forced to complete the data collection survey based on their best estimates, not on actual data collected. Data reported from estimations or from memory carry a high risk of being materially inaccurate.

Recommendations

We recommend that the Corporation:

- Clearly define how to capture and report statistics relating to accomplishments of the programs when the measure could be based on varying levels of effort for the activity performed. For example, statistics for individuals tutored for one day of the year should be reported separately from individuals tutored for the entire school year.

- Identify accomplishment measures to be reported by the AmeriCorps state offices that will be captured in the survey forms, incorporate them with the OMB approved form, and advise state offices of the reporting requirements before the beginning of the project.

9. *AmeriCorps – National Civilian Community Corps (NCCC)*

Project service completion reports not signed

We found that the project sponsor and campus director did not both sign 10 out of 27 project service completion reports at the Denver campus, which were used to compile the NCCC program accomplishment statistics. This report, when signed by the director of the NCCC campus as well as the representative of the sponsoring organization, verifies that the report's accomplishment data has been reviewed and certified to be correct. The lack of signatures by the director and sponsor could lead to inclusion of invalid data in the Performance Report.

Recommendation

We recommend that the Director make sure that the project service completion reports are signed and the project sponsor has certified the report. The duly signed reports should either be available in the project file or in a separate folder. Data from unsigned and uncertified reports should not be included in the accomplishment reports.

10. National Senior Service Corps

Incomplete presentation of data

In order to ensure a proper sampling of a data set, the population sampled must be complete. In addition, a statistician should review the sampling plan to ensure that the methodology and the sample size are appropriate.

The Corporation cannot verify that all National Senior Service Corps RSVP stations were included in the survey because the Corporation does not believe the projects provided a complete listing of stations to Aguirre International for performance reporting surveys. The Corporation states that it cannot compile a complete list of all National Senior Service Corps RSVP stations because of the large number of these stations (numbering approximately 70,000) and the transient nature of some RSVP stations and projects. As a result, the Corporation cannot precisely specify the total population of RSVP stations, potentially resulting in inadequate sampling of them. Aguirre International relied on project listings provided by select projects that were surveyed.

Recommendation

We recommend the Corporation improve its collection process for information regarding National Senior Service Corps RSVP stations in order to have a more accurate assessment of the total National Senior Service Corps RSVP stations and ensure a representative statistical sampling. If the RSVP station-related key performance indicators and accomplishment statistics are not reliable, the Corporation should indicate this condition with a footnote to the statistic within the Fiscal Year 2000 Performance Report.

11. Learn and Serve America

Unreliable key performance indicators and accomplishment statistics

Reporting of key performance indicators and accomplishment statistics should be based on a substantially complete data population. The Learn and Serve America program compiled key performance indicator statistics based on semi-annual progress reports submitted by grantees. Corporation personnel indicated that approximately 70% of grantees submitted semi-annual progress reports; therefore, the information is incomplete. We were also informed that the reported numbers for Learn and Serve America grantees may either be numbers from semi-annual reports or rounded estimates from telephone discussions with other organizations when reports were not provided. The Fiscal Year 2000 Performance Report chapter in which Learn and Serve America

statistics are reported does not indicate that the data may not be based on accurate numbers. Instead, data collection deficiencies are disclosed only in Appendix A: Data Quality.

The Corporation maintains (as described in Fiscal Year 2000 Performance Report Appendix A: Data Quality) that the performance data contained in the project progress reports must be considered as having a lower level of accuracy than other Corporation systems. As a result, the data is unreliable and the Corporation should consider whether it should be reported at all.

Recommendations

We recommend that the Corporation reevaluate the need to present Learn and Serve key performance indicators in future performance reports, as they are unreliable. However, if upon evaluation, these indicators are presented in future reports, we recommend that the Corporation clearly indicate data accuracy limitations by inserting a footnote within the body of the report.

KEY PERFORMANCE INDICATORS AND ACCOMPLISHMENT STATISTICS SELECTED FOR CONTROL TESTING

Program	Key Indicator	Data Source
AmeriCorps*State and National	Number of members enrolled: 35,319	National Service Trust Database
AmeriCorps*NCCC	Number of members enrolled: 931	National Service Trust Database
AmeriCorps*VISTA	Number of VISTA service years completed in projects where the focus of activity is children's literacy: 2,115	VISTA Management System
AmeriCorps*VISTA	Number of VISTA service years completed (excluding negotiated cost-share agreements): 5,906	VISTA Management System
AmeriCorps*VISTA	Number of VISTA service years supported by cost-share agreements: 987	VISTA Management System and VISTA Cost-Share Database
Learn and Serve America	Number of students in projects supported by Learn and Serve America: 1,188,000	Semi Annual Progress Reports; Department of Service-Learning
Senior Corps: SCP	Number of frail, homebound, usually elderly clients served by Senior Companions: 61,000	Project Profile and Volunteer Activity Database
Senior Corps: FGP	Number of children with special and exceptional needs served by Foster Grandparents: 230,000	Project Profile and Volunteer Activity Database
Senior Corps: RSVP	Number of federally funded RSVP volunteers budgeted: 473,709	Grants Tracking Database
National Service Trust	Number of AmeriCorps members enrolling in the Trust: 40,334	National Service Trust Database
AmeriCorps*State and National	Percent of members who complete a term of service and become eligible to receive an education award: 75.4%	National Service Trust Database
Innovation, Demonstration and Assistance Activities	Number of applicants to AmeriCorps: VISTA: 3,792 NCCC: 3,975	VISTA and NCCC Applicant and Placement Database
Program	**Accomplishments**	**Data Source**
Health and Human Needs	10,000 at-risk youth assisted	The information is taken from AmeriCorps*National Civilian Community Corps database
Environment and Neighborhood Restoration	Trees or shrubs planted: 135,000	The information is taken from AmeriCorps*National Civilian Community Corps database

Note: The key indicators for number of members enrolled in the AmeriCorps State and National and AmeriCorps NCCC reported at 35,519 members and 931 members, respectively, do not equal the number of AmeriCorps members enrolled in the National Service Trust (Trust), 40,334 members, because the Trust includes members enrolled in the AmeriCorps VISTA.

OBJECTIVES, SCOPE & METHODOLOGY

The Corporation for National and Community Service, Office of Inspector General engaged KPMG LLP to audit the Corporation's controls over the existence and completeness of the Corporation's key performance indicators and accomplishment statistics reported in the Fiscal 2000 Performance Report. We selected certain key performance indicators and accomplishment statistics that were representative of the Corporation's programs. Other than the key performance indicators and accomplishment statistics, we did not test the controls over other performance statistics reported in the Fiscal 2000 Performance Report, as these were outside the scope of our audit.

The Office of Management and Budget (OMB) Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*, states "the auditor shall obtain an understanding of the components of internal control relating to existence and completeness assertions relevant to the performance measures included in the MD&A (Management's Discussion & Analysis). Those internal controls that have not been properly designed and placed in operations shall be reported..." The Corporation issued a report on performance measures and another on its financial statements. Accordingly, the requirements of OMB Bulletin No. 01-02 are being addressed in this audit.

We selected statistics for control testing from the Corporation's major programs - AmeriCorps, National Senior Service Corps, and Learn and Serve America - where a significant amount of the Corporation's resources have been expended (see Appendix I). In selecting our sample, we also considered the statistics associated with activities that are critical to fulfilling the mission of the programs as well as the risks associated with the compilation of the key performance indicators and accomplishment statistics.

The scope of our audit was limited to the following:

- The Corporation's controls over a sample of Fiscal 2000 Performance Report key performance indicators and accomplishment statistics that were compiled by the Corporation; and

- The Corporation's controls over Aguirre International's compilation and reporting of selected accomplishment statistics reported in the Fiscal 2000 Performance Report (Aguirre International was contracted by the Corporation to compile accomplishment statistics for its three major programs - AmeriCorps State National, VISTA and National Seniors Service Corps).

With the exception of the VISTA key performance indicators, we did not test the underlying data of the Corporation databases because the relevant internal controls associated with those statistics were not part of the Corporation's internal control structure.

Sample Selection

Our population consisted of all key performance indicators and accomplishment statistics reported in the Fiscal 2000 Performance Report. As discussed previously, in selecting our sample, we considered the Corporation's major programs, as well as the statistics associated with activities critical to fulfilling the mission of the programs. We also considered those key performance indicators and accomplishment statistics that, in our judgment, had higher risks associated with their compilation because of the means in which they are compiled. KPMG selected the following for internal control testing:

- 12 key performance indicators from the total population of 50 key performance indicators reported in the Fiscal 2000 Performance Report. The selection covers all Corporation programs and major databases.

- 2 out of 12 accomplishment statistics emanating from NCCC were selected. All other accomplishments in the Fiscal 2000 Performance Report were compiled by sources outside the Corporation.

We subsequently conducted testing at the following sites:

- 10 Corporation state offices: California, Washington, Colorado, Louisiana, Michigan, Virginia, New York, New Hampshire, Florida, and Texas;

- 3 AmeriCorps NCCC campuses out of five: California, Colorado, and Washington, DC; and

- The Corporation headquarters in Washington, DC.

Audit Procedures

Our audit included the following procedures:

- review of the Government Performance and Results Act of 1993, relevant sections of OMB Circular A-11, Part 2, *Preparation and Submission of Strategic Plans, Annual Performance Plans, and Annual Performance Reports*, and OMB Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*, and relevant General Accounting Office reports;

- inquiry and observation of controls over the key performance indicator and performance statistics compilation and reporting processes at the Philadelphia state office, Virginia state commission, Aguirre International, AmeriCorps NCCC Washington, DC campus, and the Corporation headquarters;

- interviews with Corporation personnel and review of relevant documentation at the Corporation headquarters;

- control testing of AmeriCorps VISTA member and project files relating to VISTA service years at the Corporation state offices in Virginia, Florida, New Hampshire, Texas, Louisiana, New York, Washington, California, Colorado, and Michigan. The test was designed to verify the number of service years completed by VISTA members in the reporting period as well as the number of service years completed in projects where the focus of activity was children's literacy. We also tested the number of VISTA service years supported by cost share agreements. In addition, we designed a questionnaire for documenting the state office controls on the key performance indicators and accomplishment statistics of VISTA and Seniors programs in the state;

- control testing of accomplishments - trees and shrubs planted and at-risk youth assisted. We also reviewed member and project files at AmeriCorps NCCC campuses in Colorado, California, and Washington, DC;

- review of data queries of reports generated by the Corporation databases for key performance indicators. With the exception of the AmeriCorps VISTA key performance indicators, we did not test the underlying data of the Corporation databases because the relevant internal controls associated with those statistics were not part of the Corporation's internal control structure. The point of origin of data for those statistics was at the projects/sites/stations levels, which are under the control of either public agencies or other not-for-profit organizations;

- We also considered information obtained in the 12 pre-audit surveys recently performed by KPMG at the following state commissions: Alabama, Texas, Maine, Vermont, South Carolina, Virginia, Pennsylvania, Mississippi, Nevada, Colorado, Maryland and Connecticut. The work performed included procedures to determine the extent to which the state commissions reviewed or monitored data sent to CNS for key performance indicators and accomplishment statistics and accomplishment reporting.

We summarized the results of our work to develop the findings and recommendations presented in this report. We discussed all findings with Corporation management during an exit conference on May 25, 2001.

Our procedures were performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

PERFORMANCE MEASURES COMPILATION PROCESSES

The Corporation compiles data on key performance indicators and accomplishment statistics from the reports generated from its own databases, reports prepared by contractors and reports submitted to the Corporation by the grantees or subgrantees. The program director is responsible for reviewing the accuracy of the data prior to submission to the GPRA coordinator for reporting in the Fiscal 2000 Performance Report.

Key Performance Indicators

AmeriCorps State and National and National Civilian Community Corps (NCCC)
The AmeriCorps State and National and NCCC key performance indicator statistics are derived from the Corporation's National Service Trust database through the Web Based Reporting System (WBRS). The data is input into the WBRS by the state commissions, state programs, national programs, Corporation state offices and AmeriCorps NCCC campuses. Data is uploaded into the National Service Trust Database at the headquarters. The National Service Trust staff write data queries to produce reports which are reviewed by the respective program directors and sent to the GPRA coordinator for inclusion in the Fiscal 2000 Performance Report. The Director of the National Service Trust reviews the reports and attests to the reliability of the data generated by the system by signing a Certification of Data Reliability.

AmeriCorps VISTA
The VISTA Management System database (VMS) is maintained at Corporation headquarters. Personnel at the various state offices input member profile data on VISTA members into VMS. To extract information about the members for performance reporting, headquarters staff write data queries and generate reports from the database. After the program director reviews the reports, he signs a form, the Certification of Data Reliability, attesting to the reliability of the data generated by the database. The reports are then given to the GPRA coordinator for inclusion in the Fiscal 2000 Performance Report.

National Senior Service Corps
The National Senior Service Corps program maintains the Project Profile and Volunteer Activity Database. Project survey reports are sent directly to the National Senior Service Corps program at Corporation headquarters where these reports are entered, edited, and maintained in the database by the program staff. A data query is written and the information generated for GPRA reporting. The program director reviews the performance data and signs the Certification of Data Reliability. The number of federally funded National Senior Service Corps RSVP volunteers budgeted is based on the report generated from Grants Tracking Database. The Certification of Data Reliability is signed by the Seniors Program director.

Learn and Serve America
Reports on key performance indicators for the Learn and Serve America program were based on Semi Annual Progress Reports from grantees. The information is entered in an MS Excel spreadsheet by program staff at Corporation headquarters. The Certification of Data Reliability is signed by the program director.

AmeriCorps NCCC and AmeriCorps VISTA Applicants
The number of applicants to NCCC and VISTA programs are provided by the program director of the AmeriCorps Recruitment department. The national VISTA applicants are entered into an Access database maintained by AmeriCorps Recruitment department. The data relating to the NCCC applicants is maintained by a contractor, Systems Technology Corporation, who provides reports to the AmeriCorps Recruitment department. For the VISTA program, the Access database report is generated by the AmeriCorps Recruitment department staff. The director of AmeriCorps Recruitment signs the Certification of Data Reliability.

Accomplishments Statistics

With the exception of AmeriCorps NCCC, accomplishment statistics were compiled by a contractor, Aguirre International. The Corporation engaged Aguirre International to compile accomplishment statistics of AmeriCorps State and National, AmeriCorps VISTA and National Senior Service Corps programs.

AmeriCorps NCCC
The accomplishment data is entered into an Access database at the NCCC Campus from Service Project Completion Reports, which are compiled by campus staff. The reports are signed by the sponsor of the project and the campus director. The data are sent to NCCC headquarters where the report data is downloaded into the AmeriCorps National Civilian Community Corps database. System query reports are generated from this database and presented to the GPRA coordinator in the form of an accomplishment report. The data is reviewed by the NCCC national program director. The Data Quality Certification is not used for accomplishment statistics.

AmeriCorps State and National Accomplishment Survey
Aguirre International is responsible for conducting the survey of accomplishments of AmeriCorps State and National, AmeriCorps VISTA, and National Senior Service Corps programs. Aguirre International sends the accomplishment survey forms to the state commissions or the parent organization of the national direct programs, which in turn, forward the survey to their grantees (subgrantees of CNS). Once completed, the survey forms are sent back to Aguirre International for processing. Aguirre International logs the survey information into a database and verifies the accuracy of the input. The output is sent to the project for confirmation of the accuracy of the data and to the Corporation grantee (state commissions and national direct organizations) for their information and review. In an attempt to obtain a complete population, Aguirre contacts those survey

recipients that have not responded by the expected date, first by letter and then by telephone. After 80% of the responses have been received, the summary report is prepared. The reports are prepared at three levels - Program, State, and National Direct.

AmeriCorps VISTA Accomplishment Survey

For fiscal years 1996-97, the Corporation contracted with Westat Inc., a social science research firm in Rockville, Maryland, to compile the accomplishments of VISTA projects. For fiscal year 1998, the contract was awarded to Aguirre International. To maintain consistency in data reported from year to year, Aguirre adopted the compilation methodology used by Westat Inc. for prior surveys. To compile the AmeriCorps VISTA accomplishment statistics, the contractor sends survey forms directly to the VISTA projects and informs the state offices of the mailings by letter. The processing of the surveys is similar for the AmeriCorps State and National Accomplishment Survey.

National Senior Service Corps Survey

The data for the National Senior Service Corps RSVP accomplishments was compiled through a survey conducted by Aguirre International. A statistical sample of RSVP stations was selected to be surveyed. However, prior to drawing the sample, the Corporation did not have a complete population of RSVP stations. Nevertheless, a sample was drawn from the incomplete population of stations by Aguirre International and the surveys were sent to the RSVP stations. The stations subsequently sent the surveys to Aguirre International for processing.

MEMORANDUM

TO: Luise Jordan, Inspector General

FROM: David Rymph, Director (Acting)
Department of Evaluation and Effective Practices

DATE: July 26, 2001

SUBJECT: Comments on OIG Draft Report 01-28: *Audit of Controls Over the Corporation for National and Community Service's Key Performance Indicators and Accomplishment Statistics.*

The Corporation has reviewed Draft Report 01-28: *Audit of Controls Over the Corporation for National and Community Service's Key Performance Indicators and Accomplishment Statistics.* We are pleased that the report confirms the accuracy of the Corporation's performance statistics. The auditors tested 12 performance statistics, sampled purposively because they were (1) associated with a "significant amount of the Corporation's resources, (2) "critical to fulfilling the mission of the programs," and (3) associated with a certain level of risk. Of the 12 performance measures, the auditors "determined that eleven were reasonably accurate." In the case of one indicator, drawn from the Learn and Serve America program, the audit report agrees with Corporation's assessment that the indicator is at best an estimate.

In the process of providing information to the auditors in the course of their study, we detailed for them the processes and data query language we use to develop the indicators from the data provided to us by grantees, service program participants, and other sources. In each case they tested, the auditors report that they were able to reproduce successfully the same result that we reported to Congress in our 2000 performance report.

The auditors also acknowledge that the Corporation goes beyond the requirements of the Government Performance and Results Act. In addition to reporting on key performance indicators as required by the act, we present data in the form of accomplishment statistics for all programs except Learn and Serve America. Our performance report provides findings on customer satisfaction for all Corporation programs. Furthermore, as the auditors report, we provide extensive information of the end outcomes of all program areas as established by independent program evaluation studies.

The audit report also contains recommendations for improving our performance measurement systems and processes. Several of these recommendations we have either already begun implementing or we are prepared to implement in the near future.

Overall, the report's characterizations that our data are accurate, that our procedures are replicable, and that we exceed the requirements of the Results Act in our comprehensive performance reports are findings that we are pleased to share with Congress and the American people.

That said, there are several matters that we wish to clarify in the detailed response to the report that follows.

Overview of the Corporation's Performance Measurement and Reporting System

The Corporation believes that any appraisal of its performance statistics should begin with an understanding of our overall philosophy concerning performance measurement. Essentially, each piece of data in the Corporation's *Fiscal 2000 Performance Report* comes from one of four types of data that make up the Corporation's performance measurement system:

- Annual performance indicators
- Accomplishment reports
- Customer satisfaction surveys
- Program evaluations.

Each of these data types is valid and useful for understanding program performance. If any data type were used in isolation, however, the presentation would be incomplete and misleading. A comprehensive understanding of program performance must use data from all four sources because each has strengths and taken together they complement each other. The auditors looked at a sample of measures drawn from the annual performance indicators and accomplishment reports. They did not, however, review customer satisfaction surveys nor did they cover program evaluation.

Annual Performance Indicators

The Corporation has several data systems for which information is collected on a regular basis from grantees and subgrantees and from members of service programs. These indicators primarily measure aspects of program performance that are in the direct control of the Corporation. These data are useful for oversight and management of the programs. Many of these measures focus on what programs do with federal funds—such as carrying out projects, enrolling members, awarding subgrants, and so on.

Accomplishment Reporting

Asking programs to report accomplishments allows them to quantify the contributions they are making toward meeting critical community needs. These counts of service performed (e.g., community buildings rehabilitated, students taught, and neighborhood watches conducted) help report the work of national service.

Accomplishment reports are prepared annually for AmeriCorps*State and National grantees. AmeriCorps*National Civilian Community Corps (AmeriCorps*NCCC), AmeriCorps*VISTA and the Senior Corps programs are collecting accomplishment reports from project sponsors and grantees every other year. Due to the scale of the Senior Corps programs, their reports rely on a random sample of projects rather than a census.

Independent research contractors collect accomplishment data from AmeriCorps*State and National grantees, AmeriCorps*VISTA project supervisors, and Senior Corps project sponsors. The data are collected annually or bi-annually using standard forms that allow for aggregation of the data nationally. The reporting forms have undergone several rounds of revision and standardization. Project directors and sponsors complete the report forms, based on their own systems for keeping records of activities and accomplishments. The Corporation has provided technical assistance to grantees on how to complete these reports. AmeriCorps*NCCC campus staff report accomplishment data directly to the Corporation.

The data are subject to edit checks, range checks, and other tests of reasonableness by the research contractors. The data are, however, self-reports from grantees and project sponsors, dependent on the accuracy and completeness of the tracking systems they maintain. Accomplishment reporting simply asks programs to tell the Corporation what they got done in a structured way that can be aggregated for a picture of national effort. This limitation is noted in our GPRA plans and reports.

Customer Satisfaction Surveys

The Corporation's programs have many customers: program participants, grantees, community residents receiving services, and local and state governments. Gathering customer perspectives on how well their needs are met is an essential part of the Corporation's commitment to continuous quality improvement In initiating this activity the Corporation was responding to the requirements of a Presidential Executive Order on "Setting Customer Service Standards (09/11/1993). Targeted customer satisfaction surveys are conducted periodically, asking direct customers -- the grantees and program participants -- how well the Corporation serves them.

Program Evaluation Studies

Program evaluation represents a significant area of investment by the Corporation. Unlike the other performance measures, outcome evaluation studies are not likely to occur every year because they are more expensive and time consuming to carry out. Program evaluation studies, however less frequent, provide highly reliable, valid and useful information on what national service programs achieve for the American people.

One reason the Corporation places so much importance on program evaluation lies in the relationship the Corporation has with its national service programs and their outcomes. The Corporation supports national service almost exclusively by making grants to nonprofit, private, and public institutions. These grantees, in turn, use federal funds and guidance, combined with other sources of support, to design and operate service programs meeting locally defined needs.

Working through these networks of grantees, subgrantees, community sponsors, and other partners to accomplish the Corporation's mission means that the outcomes of national service programs are often the result of factors outside the Corporation's control. These complex systems make it challenging to identify the federal contribution to the end outcomes. Individual program evaluations, by using formal, scientific methods, including sampling and control groups, can identify the direct results and impact of national service programs.

The Corporation believes that, with focused, scientific, program evaluations, the results of service programs can be identified and measured. The Corporation contracts with research organizations, then gives them the independence and resources to do reliable and valid studies of national service programs. An example of the complexity involved in measuring the outcomes of service programs is the recently completed study of AmeriCorps tutoring and reading achievement. [1] The results of the reading study were based on pretest and post-test data from 869 students in grades one, two, and three receiving AmeriCorps tutoring services in 68 programs serving 93 schools nationwide. Four types of information were collected in the study: reading performance, classroom behavior, descriptions of tutoring program components, and tutor experiences with children.

A formal policy (Corporation for National Service Policy Number 900) governs evaluation activities in the Corporation. It sets stringent standards that ensure the quality of the studies

conducted on the Corporation's behalf. In addition, there is growing interest in national service and service-learning on the part of universities, foundations, and public interest groups. Thus, in addition to the contract research sponsored by the Corporation, our GPRA performance reports include findings from individuals and organizations working independently of the Corporation and its support.

A Discussion of the Findings and Recommendations

Finding 1. *Lack of written policies and procedures.*

The Corporation has met all requirements governing compliance with the Government Performance and Results Act of 1993. We have fully complied with the statute and its implementing regulations as promulgated by the Office of Management and Budget through the A-11 guidance process. Neither the act nor the OMB regulations require that we have written policies and procedures governing our GPRA activities. We agree, however, with the auditors that written guidelines would have some utility.

> Audit Recommendation: "Establish and institutionalize written policies and procedures that, among other things, explicitly describe: personnel accountable for compiling key performance indicators and accomplishment statistics . . .; roles and responsibilities of personnel . . ; identification of key controls for performance infomration compiled by contractors; methodology for the review of key performance indicators and accomplishment statistics; method and degree of data validation required . . .; anticipated timeline for the compilation and reporting process; policies for retention of supporting documention."
>
> Response: The Corporation accepts the recommendation and will draft policy and procedures covering compliance with the Government Performance and Results Act of 1993.

a. *Lack of guidance for data validation during the site visits.*

This finding primarily concerns the activities of Corporation State Office staff. At the present time there is an established protocol and instrumentation used by all State Office staff in conducting on-site compliance monitoring of National Senior Service Corps (NSSC) projects. This protocol includes the requirement of validating certain specific data on performance indicators and accomplishments at the point of origin (i.e. documentation and records at the project level. There is, however, not a strict correlation between the performance indicators and accomplishment statistics gathered through the Aguirre contractors and those checked and validated through the current iteration of the NSSC monitoring instrument.

With regard to AmeriCorps*VISTA, the Corporation is currently developing a protocol and instrumentation for on-site compliance monitoring to determine, in a standardized manner, the extent to which project accomplishments are measured and validated. In crafting this protocol, the Corporation will take steps to ensure that this monitoring process incorporates procedures and tests designed to verify key performance data at the project level (point of origin).

b. *Lack of Corporation state office review of certain key performance indicators and accomplishment statistics.*

The National Senior Service Corps compliance monitoring system detailed in 1.a above does have a firm requirement that CNS State Office staff document the full results of their findings on the project accomplishments and performance indicators for each on-site compliance monitoring of an NSSC project. With respect to NSSC and AmeriCorps
*VISTA reporting systems, steps will be taken to achieve greater consistency between them in measuring project accomplishments and results.

c. *Lack of supporting documentation on management review of key performance indicators and accomplishment statistics.*

The Corporation required each program manager responsible for a key performance indicator to respond to a "GPRA Data Call" designed to either certify the accuracy of the data or to identify weaknesses that could be corrected. The data call memo asked managers to:

1. Determine the actual performance on these indicators during fiscal 2000 (October 1, 1999 to September 30, 2000).
2. If data are available for the years before 2000, please determine those numbers also.
3. Report the results by Friday, February 2, 2001.
4. Include documentation that will support the results reported. This could involve:

    - Stating the source or sources of the data.
    - The names of the person or organization doing any analysis needed to produce the result.
    - Copies of any tables or computer output showing final tabulations.
    - A copy of any forms that were used to collect the data.

5. Complete and sign an attached form certifying to the accuracy of the information reported.

Audit Recommendation: "Through the formulation of policies and procedures, require program directors . . . to document and retain evidence of their review of key performance indicators and accomplishment statistics included in the performance report."

Response: We assert that the process guidance described above documents the review process that was followed. Every manager was asked to follow the same basic procedure. We understand that the auditors believe the documentation process can be improved. We agree that improvement is always possible and we commit to looking for ways to help program managers better document their internal reviews prior to reporting data and certifying its accuracy.

d. *Lack of documented evidence that contractor had appropriate oversight and incomplete presentation of data.*

The Corporation is confident that the quality of the performance of Aguirre International is high and we believe that the oversight of the accomplishments collection and aggregation process is complete. The methodological and practical challenges of conducting accomplishment reviews were developed meticulously over several years of very active collaboration between the Office of Evaluation, the program offices, and Aguirre. By the year for which this audit was conducted, the collection of AmeriCorps accomplishments was a fairly routine procedure, oversight of which is handled largely through specification of the deliverables in the contract and day-to-day, by telephone conversation.

The auditors received evidence that the Corporation provided the data sets for mailing the survey forms and approved the letters to be sent to grantees at various stages of the process. The categories of accomplishments are stable, having been last significantly revised in 1997. The data aggregation procedures are similarly stable, having been largely established in 1994-1996.

In the case of the Senior Corps accomplishments considerable additional evidence of active oversight was provided to KPMG. The Corporation staff were heavily engaged in the effort of generating the universe of NSSC stations, both in supervising Aguirre International and in communicating directly with Senior Corps grantees.

e. *Broadly stated key performance indicators and accomplishment statistics that are not clearly defined.*

Accomplishments reviews are, and have always been, intended to be an estimate of the scope and extent of the efforts of national service programs. They are illustrative of the range of efforts Corporation-sponsored service programs engage in and they permit the reader to appreciate the scale of the efforts of these service organizations. Development of the accomplishment categories has been an organic process, involving Corporation staff, contractor insights, and grantee feedback. Moreover, the accomplishment categories, as reflected in the items on the survey instruments, are subject to public comment and OMB approval.

We believe that the categories strike a reasonable balance between excessive generality and burdensome specificity. As the categories grow more specific, they necessarily grow narrower, causing the addition of yet further categories to specify narrowly other aspects of some class of services or subset of service recipients. Further splitting, we believe, would result in unnecessary grantee burden and undesirable reader overload.

We have chosen to let the programs make reasonable decisions about the characterization of their activities with the understanding that some generalization will be necessary. To do more would produce rapidly diminishing returns. For example, not even the many youth-serving professions agree upon the exact definition of "at-risk youth." Moreover, the range of services that national service programs provide to "at-risk youth" so-categorized covers a tremendous range of interventions including educational, social, psychological, legal, cultural, and financial assistance.

Although phrases like "the elderly", "at-risk youth" or "veterans" have not been narrowly defined, we feel confident that our public readership has a shared understanding of what those phrases mean. We believe that the public also shares a general understanding of the range of services that individuals in those categories might need as a consequence of the associated

challenges. The range of services provided by National Service programs is sufficiently broad as to cover those shared understandings. Thus, while a phrase such as "at-risk youth assisted" may not be highly specific, it is accurate in the sense that both the assisted population and the services provided to them, as defined by the reader are, in fact, encompassed by the activities reported from the programs.

In general, the Corporation agrees that in some areas of the performance measurement process there is a need for written policies and procedures. We commit to preparing a formal Corporation policy covering our compliance with the Government Performance and Results Act of 1993.

Finding 2. *Undocumented certification process.*

The Corporation acknowledges that it began a data certification process after the audit began. In fact, we initiated the process based on a strong recommendation from a member of the audit team. We believed then and continue to believe that the suggestion was a useful one and we plan to continue using the system in preparing next year's report.

> Audit Recommendation: "Through the formulation of policies and procedures, require documentation that describes the procedures used to support the certification by program managers. Additionally, certification should be extended to accomplishment statistics."
>
> Response: We concur, in part, and will follow through on these suggestions for further documentation by program managers as part of the data certification process. We do not agree that it is necessary or useful to extend data certification to the accomplishment statistics. The responses below to Findings 5-8 explain our reasoning.

Finding 3. *Inadequate data validation.*

The Corporation believes that the data systems we have in place provide the means to "support the general accuracy and reliability of the performance information that is reported. The audit report finds that the Corporation's performance indicators are "reasonably accurate." Reliability, in the social science understanding of the term, simply means that measures are replicable and the auditors report that they successfully followed our procedures to arrive at the same results we reported to Congress.

Accuracy and reliability both go into determining validity, but a valid measure is more than just accurate and reliable. A valid performance measure, as the term "validity" is generally used in social science, means that the measure represents that which it intends to measure. On that score as well, we believe that our performance measures are valid. For example, one of our most important indicators, the number of members enrolled in AmeriCorps, has been repeatedly scrutinized by auditors to determine if the Trust data are accurate and reliable. The processes used to create the measure, involving data collection, storage, and analysis systems, reasonably represent the actual number of members enrolled in our programs around the country. In other words, the measure is valid.

Finally, to the extent that for some performance indicators the evidence for validity is not as strong as in the case of the AmeriCorps enrollment data, we refer to the explicit guidance from the Office of Management and Budget to Executive agencies on this issue:

> Agencies are not required to develop an independent capacity for verifying or validating performance data received from, or based on, sources outside the agency. Data sources outside the agency should be identified in the plan. Available information from an outside source regarding the accuracy and reliability of its data should be collected, but need not be included in the plan. OMB Circular No. A-11 (2001). Section 220.12.

Audit Recommendation: "Conduct a risk assessment of key performance indicators and accomplishment statistics and formulate a data validation process for key performance indicators and accomplishment statistics."

Response: The Corporation does not concur with the recommendation.

Finding 4. *Lack of guidance for data validation during site visits.*

There is written guidance in the form of an established compliance monitoring protocol and instrumentation that CNS State Offices have been utilizing for the past three years in conducting on-site compliance monitoring of NSSC projects. It requires the review of key internal controls over performance and accomplishments at the point of origin (project documentation). While not every site visit to an NSSC project is for the specific purpose of conducting a compliance review, the Corporation requires that CNS State Offices conduct an on site compliance review of every NSSC projectevery two years.

Finding 5. *Aguirre International.*

a. *Lack of formal compilation and reporting procedures and policies.*

As noted by KPMG, the methods and procedures for creating an accomplishments review are rigorous and extensive, evidence of the high standards that the Corporation requires of this process. The procedures are fully detailed in the contract task plan. We know of no instances in which the absence of a procedure manual has caused any diminution of quality in the accomplishment collection and aggregation process.

> Audit Recommendation: "Formulate written procedures that include the identification of key controls for performance information compiled by contractors."
>
> Response: "We agree that written procedures would help to safeguard the integrity of the process in the future, and we will have such a document created."

b. *Data collected for more than 500 accomplishments.*

In accordance with our authorizing statutes and implementing regulations, AmeriCorps and Senior Corps programs are designed to be responsive to locally determined needs and conditions. The program organizers and sponsors at the local level set each program's goals and objectives. This means that the range of AmeriCorps project accomplishments is as rich and varied as the social and environmental landscape of America. Our accomplishment reporting system is an attempt to capture and display for Congress and the American people this variety in a way that is comprehensive and understandable without placing undue burden on the programs or the multiple audiences for the accomplishment reports.

There are multiple purposes for the collection of the annual accomplishment reviews, the Performance Report being only one of them. The accomplishments incorporated into the Performance Plan are intended to illustrate particular aspects of the scope of Corporation-supported service. The tables included in the annual performance report are not intended to be exhaustive.

> Audit Recommendation: "Review all accomplishment statistics compiled by Aguirre International and reduce the number of accomplishment statistics collected by Aguirre International to those that will be reported."
>
> Response: The Corporation does not concur with this recommendation.
>
> Audit Recommendation: "Conduct a cost-benefit analysis with respect to the number of accomplishment statistics to be reported . . . and reallocate funding resources to other tasks . . . ."
>
> Response: The Corporation does not concur with this recommendation.

c. *Lack of documented evidence of contractor oversight.*

The absence of documentation of the oversight of this contract does not reflect an absence of attention to its rigor and completeness, but rather the fact that the activities in question have been in place for some time and are effective. We agree, however, that a more thorough documentation of the Corporation's oversight would ensure continued high quality and we will institute procedures to systematically document the oversight of accomplishments collection, aggregation and reporting.

> Audit Recommendation: "Require, through policies and procedures, the Director of Evaluation to document visits to Aguirre International or any other contract and contract compliance review."
>
> Response: The Corporation concurs with the recommendation and will develop policies and procedures for the oversight of Evaluation contracts.

Finding 6. *Broadly stated key performance indicators and accomplishment statistics that are not clearly defined.*

See response to Finding 1e above.

Finding 7. *Lack of state office involvement in the performance reporting process.*

With respect to this finding, the Corporation provides the following additional information and clarification regarding the Corporation State Offices and their oversight of the National Senior Service Corps programs.

The report finds that "The Corporation did not involve state offices, when appropriate, in the performance statistic reporting process related to the programs they are responsible for –

AmeriCorps VISTA and National Senior Service Corps – because there were no policies and procedures requiring such involvement in the reporting process"

The Corporation agrees that its State Offices are the most knowledgeable about projects in their respective states, and the Senior Corps headquarters office relies on their expertise with and knowledge of grantees for key information and data. With regard to the Senior Corps programs and State Office involvement and oversight with key performance indicators, however, the above statement in finding 7 is incorrect.

Data for a key performance indicator, "Programming for Impact and Outcome-Based Assignments" are reported by Senior Corps grantees annually to Senior Corps headquarters. Grantees use a one-page hard copy report (erroneously referred to in the finding as the "Progress Report") that is signed by the Executive Director of the sponsor agency responsible for the Senior Corps grant. The grantee agency sends an identical, duplicate copy directly to the respective Corporation State Office, who reviews the data on a project-by-project basis. In addition, as Senior Corps headquarters staff enter data in a central database for reporting, updated state reports are provided to State Offices for review and input. Through this system of cross-verification and communication, the Corporation is assured that the appropriate staff have access to information, and can take a role in the overall accuracy. The written policies and procedures that describe this process are found in the following Corporation documents:

(a) Corporation Field Guidance 2000, National Senior Service Corps.

(b) Corporation for National Service, National Senior Service Corps GPRA Results Report and Instructions.

Other key Senior Corps performance indicators are reported by the Corporation using two data sets compiled from sources available to and used by State Office and Service Center staff. These are the (1) Project Profile and Volunteer Activity (PPVA) national data collection and (2) the Grant Tracking Database. Updates and new information from State Offices and Service Centers are entered into the databases to maintain accuracy. Grants Tracking is reconciled quarterly by the Service Center Grants Officers.

The report also states that "Aguirre International compiled the accomplishment statistics of these two programs without substantial involvement of the state offices. Aguirre International sent the surveys directly to the projects or stations. State office involvement was limited to following up with those projects or stations that did not respond to the survey… "

As a clarification, and as noted in previous sections of this response, the accomplishment statistics collected and compiled by Aguirre International are not synonymous with "key performance indicators." Accomplishment statistics are designed to be illustrative of accomplishments, and are used as highlights and examples.

Aguirre International was engaged as an independent contractor to implement and report on accomplishment statistics. The activities performed by Aguirre are defined as evaluation activities. As such, the role and involvement of all Corporation entities, including State Offices, are constrained by statute.

Specifically, authorizing legislation for the Senior Corps programs, the Domestic Volunteer Service Act (DVSA), Section 416 (a) states the following: "Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated." In

compliance with the legislation, Corporation State Offices activities were restricted to the following:

- Review of all materials, such as correspondence and survey copies, sent to their Senior Corps grantees and volunteer stations;
- Status lists on participation; and
- Helping to ensure that their Senior Corps grantees/volunteer stations understood the purpose of the evaluation activity, and completed and returned surveys and materials.

Audit Recommendation: " . . . that state offices participate in the key performance indicators and accomplishment statistics compilation and verification process, particularly for the AmeriCorpsVISTA and National Senior Service programs. . ."

Response: The Corporation already involves state offices in this process, to the extent permitted by law.

Finding 8. *AmeriCorps – State and National.*

a. Lack of distinction between reported levels of effort.

As we have indicated elsewhere, the accomplishments review is not intended to be a measure of scale at the level of precision suggested by this finding. To extend the example included in the finding, "number of students tutored or mentored," the intensity (one time, twice per week, three hours per month, one semester, etc.) of service provided to tutored students is determined by program design, which is locally determined. Consequently, the Corporation would have to establish standard units of measure and require extensive additional uniform record keeping of the tens of thousands of service sites through the United States. Indeed, in 1995 we attempted data collection of that magnitude, and concluded that it was counter-productive. While we appreciate KPMG's desire for more specificity in the intensity of these services, we do not believe that it is feasible or that the effort that would be required of grantees and the public is justifiable. We would not characterize the results as we collect them as inaccurate, but rather at an appropriate level of generality.

Furthermore, the kind of data distinctions advocated by the auditors is found, in the case of tutoring, in the more rigorous (and costly) program evaluation study of AmeriCorps tutoring efforts conducted by Abt Associates. That report specifically provides the number of students tutored, the methods used for tutoring, and the intensity of the activity. In general, the specificity in data requested by the auditors will be found in our program evaluation studies and reports.

Audit Recommendation: "Clearly define how to capture and report statistics relating to accomplishments of the programs when the measures could be based on varying levels of effort for the activity performed."

Response: The Corporation believes that the degree of definition now present is adequate given the level of accuracy sought in the accomplishment reporting process.

b. Projects were not advised of accomplishment statistics compilation requirements at the beginning of the project.

While we have no doubt that the Virginia State Commission reported to the auditors matters as they perceived them, we must disagree with the finding. The collection of accomplishment data

has occurred throughout AmeriCorps*State and National every year since its inception in 1994. The requirement that these data be collected is included in the AmeriCorps grant provisions, and has been for several years. The accomplishment categories have been essentially stable since 1996. Indeed, in the year in question, programs that called to request an accomplishments form before it was printed were told to use the previous year's form because the overlap between them was so substantial. Although there has been minor modification to the form at times, these changes have usually added categories of accomplishments when a particular accomplishment occurs repeatedly in the "other" category.

We would also like to point out there are certain difficulties inherent in drawing a conclusion from a sample of one. According to the information found in Appendix II on "Objectives, Scope, and Methodology," the Virginia State Commission was the only State commission visited in the course of the audit. Usually evidence drawn from such a sample is called an anecdote and not a finding.

> Audit Recommendation: "Identify accomplishment measures to be reported by the AmeriCorps state offices . . . and advise state offices of the reporting requirements before beginning of the project."
>
> Response: We do not concur with the recommendation.

Finding 9. *AmeriCorps – NCCC: Project service completion reports not signed.*

In the case of the 27 project completion reports sampled at the Denver campus, the auditors discovered that ten lacked the required signatures of the project sponsors. These signatures are an important control on the accuracy of the project accomplishment data reported by NCCC. At the conclusion of each AmeriCorps*NCCC project, the campus director and a representative of the project sponsor in the community where the service occurred are to sign the report filed by the project team. Unfortunately, at the time the reports in question were filed at the Denver campus the staff was short four of seven members, which led to filing incomplete project reports. We have investigated this finding. The Denver campus has now corrected this oversight.

> Audit Recommendation: ". . . that the Director make sure that the project service completion reports are signed and the project sponsor has certified the report."
>
> Response: This is our current policy and the errant AmeriCorps*NCCC campus is now in compliance.

Finding 10. *National Senior Service Corps: Incomplete presentation of data.*

The report states that "the Corporation cannot verify that all National Senior Service Corps RSVP stations were included in the survey because the Corporation does not believe the projects provided a complete list of stations to Aguirre International for performance reporting surveys."

The Corporation would like to clarify that the accomplishment statistics gathered through the Aguirre International process are not part of the annual key performance indicators for the Senior Corps. Again, accomplishment reporting allows programs to quantify the contributions they are making toward meeting critical community needs. These counts of service performed (e.g., community buildings rehabilitated, students taught, and neighborhood watches conducted) help report the work of national service. Additionally, the Senior Corps key performance indicators are not volunteer station dependent.

KPMG has misinterpreted the information it received about the sampling of RSVP accomplishments with the result that Finding 10 is misleading. Uncertainties in the complete list of RVSP stations did not prevent the selection of a sample that provided the Corporation with an accurate reflection of the characteristics of the Retired and Senior Volunteer Program stations nationally. The Corporation and Aguirre International recognized from the outset that obtaining a census list of RSVP stations, some 70,000 in number, was unrealistic and unnecessary. In contrast to the station-level sampling used for FGP and SCP, a two-stage sample was drawn for RSVP. The first-stage sample was of projects, not stations. The universe of RSVP projects is known and all projects were included in the sample. Using the 1999 Project Profiles and Volunteer Activity database as the sampling frame, 250 projects were drawn from the universe of 752 projects, with the probability of selection proportional to the number of volunteers per project.

Among the 250 projects selected are thousands of stations so a second-stage sample of stations was drawn from among the 250 projects. Before drawing the station sample, considerable effort was made by Aguirre International and Corporation staff to ensure that Aguirre had complete station lists for all 250 projects. Accurate station lists were received from 234 projects (93.6%). As the station lists were received from the projects, Aguirre International used a simple random sampling procedure to select the stations that would complete the survey from within a project. By drawing the sample in two stages, the primary sampling unit was projects, of which the universe was known, not stations, and we believe that this method represented a sound and reasonable statistical means of addressing the logical burden of the volume of RSVP stations. The sampling issue that bears on the confidence of the resulting data is the failure of six percent of those projects to provide station lists. That failure is statistically very different from the conclusion of Finding 10 that "The Corporation cannot verify that all National Senior Service Corps RSVP stations were included in the survey." A very high response rate was obtained from the stations in the projects surveyed and those data were weighted to adjust for non-response.

> Audit Recommendation: " . . . [that] the Corporation improve its collection process for information regarding National Senior Service Corps RSVP stations in order to have a more accurate assessment of the total National Senior Corps RSVP stations and ensure a representative statistical sampling. If the RSVP station-related key performance indicators and accomplishment statistics are not reliable, the Corporation should indicate this condition with a footnote to the statistic with the Fiscal Year 2000 Performance Report."
>
> Response: The Corporation is confident that the accomplishments survey is a statistically accurate characterization of RSVP's service activities. The Corporation will adopt the recommendation that footnotes clarify the data source and methods in the performance report.

Finding 11. *Learn and Serve America: Unreliable key performance indicators and accomplishment statistics.*

Learn and Serve America staff did not tell the auditors that only 70 percent of grantees submitted semi-annual progress reports. Rather, staff indicated that some reports, approximately 13 percent, were unavailable at the time of the audit. Learn and Serve America staff did explain to the auditors that the number of participants in the program was gathered from self-reports by grantees. These self-reports are collected in semi-annual progress reports from grantees. One

should keep in mind that Learn and Serve America grants are low-risk. At the subgrantee level, where most of the Corporation-funded service learning activity occurs, only very small amounts of federal money is involved, somewhere between $500 and $25,000 annually.

> Audit Recommendation: ". . . that the Corporation reevaluate the need to present Learn and Serve key performance indicators in future performance reports, as they are unreliable. However, if upon evaluation, these indicators are presented in future reports, we recommend that the Corporation clearly indicate data accuracy limitations by inserting a footnote within the body of the report."
>
> Response: Learn and Serve America does not expect to be able to provide independently verifiable participant-level data for its programs. The cost to do so would be more than the cost of the program. We accept the audit recommendation that in future reports a footnote should appear on the same page indicating data accuracy limitations.

Endnotes

[i] Abt Associates. 2001. *AmeriCorps Tutoring and Student Reading Achievement*. Final Report. Cambridge, MA.

cc: Wendy Zenker, Chief Executive Officer (Acting)
Gary Kowalczyk, Director, Planning and Program Integration

KPMG COMMENTS ON SPECIFIC ITEMS NOTED IN THE CORPORATION'S RESPONSE

CNS Response: On page 1 of its response (Appendix 4, page A.8), the Corporation states, "Overall, the report's characterization that our data are accurate, that our procedures are replicable....are findings that we are pleased to share with Congress and the American people." Additionally, on page 7 (page A.14 of this report), in commenting on Finding 3, the Corporation states, " The audit report finds that the Corporation's performance indicators are 'reasonably accurate.'"

KPMG Comment: Readers of this audit report may be misled if they may infer that all key indicators and accomplishment statistics are reasonably accurate. Our conclusion that data is "accurate" or "reasonably accurate" relates only to our assessment of the database controls and their effect on the accuracy of the performance information contained within them. In contrast, with the exception of the VISTA key performance indicator, we did not test the control over the database input, much of which was compiled from various sources outside the Corporation. Therefore, we cannot determine the accuracy or completeness of the raw data used to compile the performance statistics. In addition, we cannot extrapolate the results of our procedures to the rest of the other 38 indicators, for the following reasons:

- To the extent the source of the other 38 key indicators was a database, our review of data queries and the compilation process was limited to the 11 key indicators we tested (1 of the 12 key indicators we tested, the Learn and Serve America indicator, was not generated from a database); and

- To the extent the source of the key indicator was not a database, (such as periodic progress reports received by the Corporation and reports issued by another entity), we did not review the process and did not review the Corporation's supporting documentation.

Accordingly, we can only conclude on the 12 key indicators tested.

* * * * *

CNS Response: On page 4 of its response (Appendix IV, page A.11), regarding Finding 1.a., the Corporation describes its current guidance for validating performance information. The Corporation acknowledges that the data underlying performance information included in its Performance Report may or may not be validated, by stating: "There is, however not a strict correlation between the performance indicators and accomplishment statistics gathered through Aguirre contractors and those checked and validated through the current iteration of the NSSC monitoring instrument."

KPMG Comment: The Corporation's annual validation of performance data at the state office should include those statistics that will be reported in the Performance Report.

KPMG COMMENTS ON SPECIFIC ITEMS NOTED IN THE CORPORATION'S RESPONSE

CNS Response: Regarding Finding 1.b. on page 5 of its response (Appendix IV, page A.12), the Corporation further discusses its compliance monitoring system, stating that the CNS State Office staff must document their findings with respect to project accomplishments and performance indicators.

KPMG Comment: The Corporation's response does not address the issue we raised concerning the lack of state office involvement in the compilation review and reporting of performance data. State offices should participate in the key performance indicators and accomplishment statistics compilation and verification process, particularly for the AmeriCorpsVISTA and National Senior Service Corps programs, as they are the most knowledgeable of the programs in their respective states and have direct interaction with the projects or stations.

* * * * *

CNS Response: In response to finding 1.d, on page 6 of its response (Appendix IV, page A.13) related to contractor oversight documentation, the Corporation states, "The auditors received evidence that the Corporation provided the data sets for mailing the survey forms...."

KPMG Comment: KPMG was provided with the survey forms and the copies of draft letters sent to the grantees. This does not meet the requirement of contractor oversight. As noted in the report, contractor oversight was limited to visits to Aguirre International and contract compliance review by the Director of Evaluation and respective task managers. However, KPMG was not provided with any documentation of site visits or contract compliance review for the AmeriCorps State and National programs.

* * * * *

CNS Response: In responding to finding 1.e, on page 6 of its response (Appendix IV, page A.13), the Corporation has provided extensive discussion on "broadly stated key performance indicators and accomplishment statistics that are not clearly defined." The Corporation states, "the categories [we report] strike a reasonable balance between excessive generality and burdensome specificity." It further states that "Although phrases like 'the elderly', 'at-risk youth' or 'veterans' have not been narrowly defined, we feel confident that our public readership has a shared understanding of what those phrases mean."

KPMG Comment: KPMG agrees that there should be a reasonable balance between generality and specificity, which the Corporation may consider discussing in the Performance Report. However, we believe that certain accomplishment statistics, as discussed in this report, need specificity to prevent misleading the readers and to provide reasonable assurance that the data are reported and compiled consistently.

* * * * *

KPMG COMMENTS ON SPECIFIC ITEMS NOTED IN THE CORPORATION'S RESPONSE

CNS Response: In its response to finding 2, on page 7 of its response (Appendix IV, page A.14), the Corporation does not concur with implementing data certification for accomplishment statistics.

KPMG Comment: KPMG believes that a certification by the respective program director signifies that the accomplishments statistics have been reviewed and deemed accurate and reliable. The program director who is responsible for administering the Corporation's programs should be held accountable for the reliability of accomplishment data reported in the Performance Report, regardless of whether the data was derived internally or externally.

* * * * *

CNS Response: On page 8 of its response (Appendix IV, page A.14), the Corporation does not concur with the audit recommendation in finding 3, which proposes the Corporation conduct a risk assessment of key performance indicators and accomplishment statistics and formulate an effective data validation process.

KPMG Comment: A risk assessment will assist the Corporation in identifying key performance indicators and accomplishment statistics that have the most risk of being inaccurately compiled, due to either high inherent risk, high control risk, or both. The assessment will also assist the Corporation in identifying which programs should receive the most focus, as we understand the Corporation's resources to validate data are limited. To the extent key performance indicators and accomplishment statistics are compiled by the Corporation internally or through a contractor, the level of data validation should be consistent with OMB Circular No. A-11, Section 220.12. To the extent data is obtained externally, data sources should be identified and a discussion on data reliability provided, or a disclaimer issued on data reliability.

* * * * *

CNS Response: On page 8 of its response (Appendix IV, page A.15), the Corporation describes its current guidance on site visits to its Senior Corps projects and states, "It requires the review of key internal controls over performance and accomplishments at the point of origin (project documentation)."

KPMG Comment: The Corporation's site visit guidance we reviewed does not require state office or headquarters staff to examine internal controls over performance statistic compilations or to validate data (i.e., verify data at the point of origin). Accordingly, the Corporation's review of NSSC projects, conducted every two years, does not require a review of internal controls over performance statistic compilation or validation of data at the point of origin. We were not provided any site visit documentation confirming the review of internal controls over performance statistic compilations or the validation of internal controls over performance statistic compilation.

* * * * *

KPMG COMMENTS ON SPECIFIC ITEMS NOTED IN THE CORPORATION'S RESPONSE

CNS Response: On page 8 of its response (Appendix IV, page A.15), the Corporation does not concur with reviewing all accomplishment statistics collected by Aguirre International. Additionally, the Corporation does not concur with conducting a cost benefit analysis.

KPMG Comment: We understand that the data compiled by Aguirre International is used for multiple purposes. Review of other uses of the data was not part of the audit scope. However, sound management practices suggest a periodic comparison of performance information's overall utility to its cost to compile and validate. Conducting a cost benefit analysis ensures that management is addressing changing information needs and weighing those needs against available resources.

* * * * *

CNS Response: On its response to finding 7, on page 10 of its response (Appendix IV, page A.17) relating to the lack of state office involvement in the performance reporting process, the Corporation has referred to the two documents in support of part of its written policies and procedures:

(a) Corporation Field Guidance 2000, National Senior Service Corps

(b) Corporation for National Service, National Senior Service Corps GPRA Results Report and Instructions

KPMG Comment: Neither of these documents was provided to the audit team by the GPRA Coordinator or anyone in the Corporation, nor was their existence mentioned during field visits to the CNS state offices.

* * * * *

CNS Response: On page 11 of its response (Appendix IV page A.18) addressing finding 7 on the performance reporting process, the Corporation states that it involves state offices in the process to the extent permitted by statute.

KPMG Comment: We do not believe that the statute precludes the state offices from reviewing accomplishment data on programs they are accountable for, as a control over the accuracy of the data used by management and reported to the public.

* * * * *

CNS Response: In its response to finding 8.a., on the lack of distinction between reported levels of effort, the Corporation explained that it spent considerable resources on evaluation studies conducted by Abt Associates, which provided the distinction between reported levels of effort associated with student tutoring. (Appendix IV, page A.18)

KPMG COMMENTS ON SPECIFIC ITEMS NOTED IN THE CORPORATION'S RESPONSE

KPMG Comment: We believe that to the extent the level of specificity is available and appropriate, as in the case of data compiled by Abt Associates, it should be provided in the Performance Report. Otherwise, the readers should be alerted to the limitation of the data, such as differing definitions of levels of effort.

* * * * *

CNS Response: On page 12 of CNS' response (Appendix IV, page A.18), the Corporation does not concur with finding 8.b., which recommends advising state offices of the reporting requirements before the project starts. Additionally, information provided by the Virginia State Commission was referred to as an anecdote.

KPMG Comment: It is our understanding that the Corporation does not provide reporting requirements before the project starts. Accordingly, the response would be the same whether we asked one state commission or all 48 state commissions. It would seem only appropriate that projects are informed in the beginning of their reporting responsibilities.

* * * * *

CNS Response: On page 13 of its response (Appendix IV, page A.19), the Corporation addresses finding 10 regarding the incomplete presentation of NSSC data. The Corporation indicated that KPMG misinterpreted the information it received about the sampling of RSVP accomplishments. The Corporation states, "Uncertainties in the complete list of RSVP stations did not prevent the selection of a sample that provided the Corporation with an accurate reflection of the characteristics of the Retired and Senior Volunteer Program stations nationally."

KPMG Comment: Finding 10 was based on documentation provided by the Corporation. None of the documents provided clearly illustrated the details of the CNS two-stage sampling methodology. Additionally, none of the documents stated or demonstrated evidence that 93.6% of the 250 sampled projects provided a complete listing of stations. Without the detailed CNS sampling documents describing this critical information, KPMG was unable to assess the validity of the CNS two-stage sampling methodology and resolve the issue surrounding the completeness of the station listing.