OFFICE OF THE INSPECTOR GENERAL
CORPORATION FOR NATIONAL AND
COMMUNITY SERVICE

Pre-Audit Survey of the Points of Light Foundation Grant Numbers 01POLDC002 and 01POLDC003

OIG Audit Report Number 02-26
June 21, 2002

Prepared by:

CNCS OIG
1201 New York Avenue
Washington, DC 20525

Pre-Audit Survey of the
Points of Light Foundation
Grant Numbers 01POLDC002 and 01POLDC003

Table of Contents

OVERVIEW OF POINTS OF LIGHT FOUNDATION 2

BACKGROUND OF THE POINTS OF LIGHT FOUNDATION 2

OBJECTIVES, SCOPE, AND METHODOLOGY 3

RESULTS 4

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

CORPORATION
FOR NATIONAL
SERVICE

June 21, 2002

Peg Rosenberry, Director, Office of Grants Management
Corporation for National and Community Service
1201 New York Avenue
Washington, DC 20525

We performed a pre-audit survey of the Points of Light Foundation, Grant Numbers 01POLDC002 and 01POLDC003. The primary purpose of this survey was to provide a preliminary assessment of:

- The grant awards and terms;
- Findings from the most recent A-133 audit;
- Fiscal or program issues raised by CNCS site visits.

We were also to report on the recommended scope of additional audit procedures to be performed at the Grantee.

Overview of the Points of Light Foundation

The Points of Light Foundation is a nonprofit organization whose mission is to engage more people more effectively in volunteer community service to help solve serious social problems. The Foundation is based in Washington, DC, and works in communities throughout the United States through a network of over 500 Volunteer Centers.

Background

The National and Community Service Trust Act of 1993, P.L. 103-82, which amended the National and Community Service Act of 1990, established the Corporation for National and Community Service.

The Corporation, pursuant to the authority of the Act, awards grants and cooperative agreements to State Commissions, nonprofit entities and tribes and territories to assist in the creation of full and part time national and community service programs. Through these grantees, members perform service to meet the educational, human, environmental, and public safety needs throughout the nation, especially addressing those needs related to

poverty. In return for this service, eligible members receive a stipend, accident insurance, personal liability insurance and automobile insurance, free meals at host institutions and physical examinations.

On May 21, 1990, The Points of Light Foundation was incorporated in Delaware as a nonprofit organization. The National and Community Service Act of 1990 authorized an initial grant to the Points of Light Foundation, with subsequent annual grants conditioned upon compliance by the Foundation with statutory requirements (e.g., use of funds, reporting). The National and Community Service Trust Act of 1993, which amended the 1990 Act) left unchanged most of the provisions relevant to the Foundation but gave CNCS specific authority to determine the Foundation's on-going ability to carry out the activities to be supported with Federal assistance.

The mission of the Points of Light Foundation is to:

1) encourage every American and every American institution to help solve our most critical social problems by volunteering their time, energies and services through community service projects and initiatives;
2) identify successful and promising community service projects and initiatives, and to disseminate information concerning such projects and initiatives to other communities in order to promote their adoption nationwide; and
3) discover and encourage new leaders and develop individuals and institutions that serve as strong examples of a commitment to serving others and to convince all Americans that a successful life includes serving others.

Objectives, Scope, and Methodology

The engagement scope was to assess the grant and site visit information and systems and procedures in place at the Corporation's headquarters as well as the Corporation's monitoring of the Grantee's fiscal activity. The primary purpose of this pre-audit survey was to provide a preliminary assessment of:

- The amount, term and grant provisions;
- The results of A-133 audits;
- Results of CNCS site visits.

We were also to report on the recommended scope of additional audit procedures to be performed at the Grantee.

Our survey included the following procedures:

- reviewing the grant award, its provisions, the detailed grant proposal and budget;

- reviewing OMB Circular A-133 reports and;

- obtaining information from site visits and from discussion with CNCS Grants Management Office.

Our procedures were performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not, perform an audit of any financial statements, and the procedures described above were not sufficient to express an opinion on the controls at the Grantee, or on its compliance with applicable laws, regulations, contracts and grants, or the allowability of grant costs incurred. Accordingly, we do not express an opinion on any such financial statements, or on the Grantee's controls or compliance. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Results

Based on the results of the limited procedures performed, we will proceed with a review of the Arthur Anderson audit work performed on internal control and compliance requirements in accordance with OMB Circular A-133. This audit included the Points Of Light Grant No. 01POLDC003 as a major program. If the work performed by the independent Auditor is not sufficient we will audit the grant costs and compliance with grant provisions. In addition, we recommend a limited scope audit of the 2001 cooperative agreement (Grant No. 01POLDC002) to support the 2001 National Community Service Conference.

This report is intended solely for the use of the Office of Inspector General and the Corporation for National and Community Service.

Terry Bathen
Acting Inspector General
Corporation for National and Community Service
Washington, D.C.

Copy to:

Wendy Zenker, Chief Operating Officer
Gary Kowalczyk, Director, Planning & Program Integration
Dana Rodgers, Program Officer