Office of Inspector General
Corporation for National and Community Service

FOLLOW-UP ASSESSMENT OF THE CORPORATION'S IMPLEMENTATION OF RECOMMENDATIONS IN THE NATIONAL SERVICE TRUST REPORT

OIG REPORT NUMBER 04-10

JANUARY 16, 2004

Corporation for NATIONAL & COMMUNITY SERVICE

Prepared by:

Office of Inspector General
Corporation for National and Community Service

Corporation for
NATIONAL &
COMMUNITY
SERVICE

OFFICE OF INSPECTOR GENERAL

January 16, 2004

The Honorable David Eisner
Chief Executive Officer
Corporation for National and Community Service
1201 New York Avenue, NW.
Washington, DC 20525

Dear Mr. Eisner:

On July 24, 2003, the Office of Inspector General released its report on the Corporation's management of the National Service Trust. This report (hereinafter referred to as the "*National Service Trust* report") made five recommendations to improve the Corporation's monitoring of AmeriCorps member enrollment. This letter presents the results of our follow-up assessment of the Corporation's implementation of recommendations in the *National Service Trust* report.

Recommendations in the *National Service Trust* Report

This follow-up assessment summarizes the recommendations made in the *National Service Trust* report and provides an update on the status of the Corporation's efforts to implement these recommendations.

a. **The Office of Inspector General recommends that only qualified Trust personnel be allowed to make Trust liability projections and have input on Trust budgetary decisions.**

Our assessment determined that qualified Corporation personnel are making Trust liability calculations and Trust obligation projections and calculations. Personnel from the Office of the Chief Financial Officer are responsible for Trust calculations, quarterly reporting to Congress, and recording Trust obligations. The employees responsible for Trust liability calculations are Ruben Wiley, the National Service Trust Supervisor, and William Anderson, the Deputy Chief Financial Officer for Financial Management. The employees responsible for Trust budgetary decisions and obligation projections are William Anderson and Andrew Kleine, the two Deputy Chief Financial Officers. These employees report to Michelle Guillermin, the Chief Financial Officer (CFO), who

oversees their work. The aforementioned employees' education, work experience, and positions with the Corporation qualify them to make Trust projections and calculations.

The Corporation has complied with, and implemented, this recommendation.

b. **The Office of Inspector General recommends that the Corporation use position descriptions and an accurate organizational chart to establish responsibility, accountability, and authority for all key Trust positions.**

In the *National Service Trust* report, the OIG found that position descriptions for Trust supervision and operations were not consistent with actual duties, leading to this recommendation. The Office of the Chief Financial Officer has updated its organizational chart to depict accurate lines of accountability and authority for the key Trust positions. In addition, the Office of the Chief Financial Officer has implemented two policies that address the OIG's recommendation to describe the responsibilities for all key Trust positions. The policy entitled "Administrative Control of National Service Trust Funds" sets forth responsibilities and procedures to ensure that adequate funds are requested for the Trust, and appropriate obligations are made against the Trust. The policy entitled "Administrative Control of Funds Policy" prescribes procedures to be followed in the execution of the budget. These policies establish essential parameters for personnel making fundamental decisions affecting the Trust. Additional review will be needed to determine whether the Corporation has approved and implemented these policies.

The Corporation has complied with, and implemented, this recommendation.

c. **The Office of Inspector General recommends that the Corporation develop an automated, joint method for simultaneously analyzing information in the Web Based Reporting System (WBRS) and the System for Programs, Agreements, and National Service Participants (eSPAN). This joint method should provide real-time reports indicating the impact of changes in enrollment on the Trust.**

This recommendation was based on the need for the Corporation to improve how it collects enrollment information. When the recommendation was made, the Corporation used enrollment information to make Trust adjustments. Now, however, the Strengthen AmeriCorps Program Act (Pub. L. No. 108-45) requires the Corporation to record a Trust obligation when it approves an AmeriCorps position. The approval of an AmeriCorps position occurs

considerably earlier than the time at which AmeriCorps members are enrolled in the Trust. Due to this change in recording practices, our recommendation that the Corporation should provide real-time reports indicating the impact of changes in enrollment on the Trust is no longer urgent.

Though implementing this recommendation is no longer considered urgent, developing an automated system to analyze WBRS and eSPAN information is still valuable to the Corporation. To address this recommendation, the Corporation has created a plan to synthesize the information in its computer systems by upgrading and modifying its eGrants system. On October 29, 2003, the Corporation's Chief Information Officer (CIO) issued a draft report entitled "Information Technology Review For The Corporation for National and Community Service." The draft report focuses on the eGrants/eSPAN system and includes suggestions to improve eGrants. The draft report also includes a plan to incorporate WBRS into eGrants, which would eliminate the use and maintenance of multiple systems. Integrating WBRS into eGrants is scheduled to be completed in approximately 24 months.

The Strengthen AmeriCorps Program Act has alleviated the immediate need to implement Recommendation c. in the *National Service Trust* report. Nonetheless, the Office of Inspector General continues to advise the Corporation to fully implement this recommendation, because it is expected to result in cost savings and will provide more accurate information to management. In an effort to address the weaknesses identified in Recommendation c., the Corporation has embarked on a time-consuming integration of the Corporation's information technology systems. The Office of Inspector General commends this action as a strong indication of the Corporation's efforts to comply with Recommendation c. However, since the Corporation is not expected to complete the integration of its information technology systems for 24 months, the Corporation has not fully complied with Recommendation c. at this time.

d. **The Office of Inspector General recommends that automated alerts be established within WBRS and eSPAN to warn grants officers, AmeriCorps program officers, and Trust employees of potential problems regarding enrollment activities. The OIG further recommends that automated safeguards be established in all enrollment systems to prevent enrollment from exceeding predetermined levels. While WBRS limits over-enrollment on a grant-by-grant basis, cumulative enrollment safeguards should be programmed into these systems.**

The Corporation has implemented new procedures to prevent over-enrollment. The number of national service positions awarded is now determined by the number of positions that can be supported by the Trust.

The Corporation's new procedures institute several mechanisms to prevent over-enrollment. Prior to awarding a grant, the Chief Financial Officer certifies that sufficient funds are available in the Trust to support proposed AmeriCorps member positions. When a grant is awarded, the number of slots or positions is included in eGrants. The number of positions awarded, by type, is then transferred electronically from eGrants into WBRS. In addition to this information, WBRS collects reporting data from grantees, including the number of slots committed, filled, active, in the third term, exited without award, granted, and available. More importantly, grantees can only enroll members up to the number of positions awarded in their grant. Corporation management now compiles biweekly reports of WBRS data to better track the number of national service positions awarded, committed, and enrolled. The new award process and the biweekly reports serve as safeguards to ensure that the problem of over-enrollment does not recur.

The Corporation has complied with, and implemented, this recommendation.

e. **The Office of Inspector General recommends that the Corporation publish formal guidance regarding use of the Service Award Liability model. This guidance should describe who should have access to the model, when it should be run, where and how to obtain model data, and to whom the generated reports should be sent for review.**

Based on the requirements of the Strengthen AmeriCorps Program Act, the Corporation now has two models for calculating service award liability. One model is used to calculate the service award liability for financial statement reporting under the *Generally Accepted Accounting Procedures*. The second model is used to determine the amount of Trust obligations. The Corporation has limited employee access to these models. Further, user guides are now available for each model. These guides describe access to the models, when they should be run, where and how to obtain data, and to whom the generated reports should be sent for review.

The Corporation has complied with, and implemented, this recommendation.

Additional Recommendation

As a result of this assessment, the Office of Inspector General makes the following additional recommendation:

aa. The WBRS should be incorporated into eGrants as soon as possible.

It is apparent that the Corporation has made essential improvements in its control of National Service Trust funds. Because of these improvements, the Office of Inspector General certifies that the Corporation has complied with, and fully implemented, four of the five recommendations in the *National Service Trust* report. As for the fifth recommendation, the Corporation's efforts to implement its multiyear plan to upgrade eGrants have demonstrated its intention to comply with this recommendation.

If you have any questions about this assessment, please contact me at extension 390.

Sincerely,

J. Russell George

J. Russell George
Inspector General

Copy to:
Michelle Guillermin, CFO