

Department of Rehabilitation

Audit Services Report

Older Individuals who are Blind (OIB) American Recovery and Reinvestment Act (ARRA) Grant #27673A for Community Access Center (CAC)

Date: September 20, 2011

Control Number: 2010A - 116

Audit Team Staff:

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INTRODUCTION

The Department of Rehabilitation (DOR) Audit Services Section has completed our desk audit of the Title VII, Chapter 2 Older Individuals who are Blind (OIB) American Recovery and Reinvestment Act (ARRA) Grant #27673A for Community Access Center. The OIB ARRA Grant budgeted for \$141,137.00 is effective December 1, 2009 through September 30, 2011.

Community Access Center (CAC) is an Independent Living Center serving Riverside County. CAC has been the designated Independent Living Center for Riverside County since 1995. The Center's mission is to empower Riverside County persons with disabilities to manage their own lives, create an accessible community, and advocate to achieve complete social, economic and political integration into the community. CAC has four office locations within Riverside County that provide core services to older individuals who are blind. These offices are located in the city of Riverside, City of Beaumont, City of Desert Hot Springs and City of Indio.

The purpose of the OIB ARRA Grant is to provide specialized services to support the needs of people experiencing sight loss. Through instruction and activities to improve their overall condition along with the reinforcement and support to maintain this improved way of life, the CAC will provide a positive direction for many people currently at high risk.

CAC Goals and Objectives under the Grant include:

1. The purchase of a fax machine for the reading services coordinator's office to receive the mail and correspondence from the OIB consumers.
2. The reading services coordinator will install fax machines in consumers' homes. Since CAC did not receive the anticipated numbers of consumers interested in the installation of fax machines the grant was adjusted to allow for other assistive technology devices.
3. The purchase of computers and peripherals to assist consumers to fulfill independent living goals.
4. Conducting outreach activities and educational workshops to rural regions in Riverside County such as Thermal/Mecca, Lake Elsinore, Hemet/San Jacinto, Indio, Wildomar, Perris, Sun City, Menifee and also in the larger cities of Riverside, Corona, Moreno Valley, Palm Springs and Palm Desert.

SCOPE

Audit fieldwork was conducted during January - April 2011 and our exit conference was held on Tuesday May 2, 2011. We conducted our audit in accordance with Government Auditing Standards as defined by the Government Accountability Office except Standard 3.52 requiring an external peer review. These standards require that we obtain reasonable assurance that the services provided and expenditures incurred are supported by appropriate records; and are in compliance with the Grant and applicable State and Federal laws and regulations including Title 2 CFR Part 230. Our audit is subject to the inherent risk that material errors and irregularities, including fraud, if they exist, will not be detected.

Our audit included examining, on a sample basis, evidence supporting the information included on the Budget and Reimbursement Requests (BRR) submitted to DOR. Our audit also included a limited review of the internal controls as they relate directly to our audit of the BRRs through use of an accounting system and internal control questionnaire, follow-up correspondence, and phone calls with CAC staff.

FINDINGS AND RECOMMENDATIONS

We found that the expenditures incurred were supported by appropriate records; and were in compliance with the Grant and applicable State and Federal laws and regulations except for the issues identified in **Attachment A**.

CAC'S RESPONSE TO THE AUDIT

Community Access Center concurs with the findings discussed at the exit conference and had no other comments or recommendations to add to the final report.

We would like to thank Community Access Center staff for their assistance with our audit.

GRANT PROVISION COMPLIANCE

1. CAC did not have certifications for four of their staff verifying completion of the DOR ARRA Fraud Training required by the grant. CAC stated that all employees involved were trained, but not aware that they were required to submit their certifications back to DOR OIB program staff.

Standard Grant #27673A, ARRA Agreements-Subvention, Supplemental terms and conditions for contracts using ARRA funds 11. Fraud Training: states the Contractor, its employees or any individuals performing activities related to this contract shall certify completion of DOR ARRA Fraud Training no later than 30 days upon contract award.

RECOMMENDATION

CAC shall ensure grant requirements are met. Certifications shall be submitted for all staff involved with the DOR ARRA grant.

OPERATING EXPENSES

1. CAC incorrectly billed the office supplies line item for items such as pop-up canopy tent, hardware supplies and the rental of a storage unit. Although CAC advised that these items were related to the programs objectives, the items purchased were not identified in the grant budget narrative.

Similarly, when reviewing support for Travel Mileage it was determined the reasons for the mileage and other travel costs did not coincide with the budget narrative. Specifically, CAC charged for making bank deposits, going to the supply store, attending ARC meetings and for purchasing gasoline for the grantee owned vehicles.

RECOMMENDATION

CAC ensure costs billed to the OIB ARRA Grant are for items that are necessary and allowable as indicated in the budget narrative. Further, when writing the grant language, CAC should ensure all allowable grant related expenses are included in the budget and consider broadening the scope of the line item definitions to allow for necessary grant related expenses.