

DEPARTMENT OF REHABILITATION Older Individuals who are Blind (OIB)

Common Audit Findings

Personnel Activity Reports (PARS)

- Grantee staff PARS did not satisfy Federal requirements in one or more of the following areas:
 - Must reflect an after-the-fact determination of the actual activity of each employee.
 - Must be signed by the employee or by a responsible supervisory official.
 - Must be prepared at least monthly and coincide with one or more pay periods.
 - Must account for the employee's total activity.
- Grantee staff PARS did not adequately support staff time utilized when calculating personnel costs billed to DOR.

Personnel Costs

- When billing for payroll tax costs, the Grantee billed for monies withheld from the employee's pay rather than billing only employer-paid taxes.
- Grantee did not maintain worksheets to support how staff salary and benefit amounts were calculated.
- Grantee worksheets contained errors and inaccurate calculations resulting in erroneous amounts billed to DOR.
- Grantee incorrectly allocated and billed benefit costs for staff not receiving benefits.
- Grantee calculated the percentage of staff time to the Grant by dividing the OIB hours by total paid hours, including leave time, rather than dividing by total hours worked. Therefore, the percentage of time chargeable to the Grant was understated, resulting in lower personnel costs billed to DOR.

Operating Costs

Grantee billed DOR for operating expenses not in compliance with the Grant:

- Incorrectly double-billed DOR for an operating expense.
- Invoiced DOR prior to payment being made to the vendor.
- Did not maintain vendor invoices or receipts to support the operating expense.
- Invoiced for items not identified in the Grant.

Accounting Systems

- Grantee did not maintain a current Accounting Procedures Manual that identifies policies and procedures for their accounting financial systems.
- Grantee does not have an appropriate cost accounting system that is adequate to segregate costs.
- Discrepancies existed between account codes indicated in the chart of accounts and those utilized to post transactions to the general ledger.
- Grantee does not have a written Cost Allocation Plan identifying an appropriate and reasonable allocation methodology for each item of cost for both direct and indirect expenses.

Equipment

- Grantee did not receive prior authorization from DOR for equipment purchases exceeding \$1,000 as required by the Grant.
- Grantee did not maintain a current written policy for purchasing equipment in compliance with the Grant provisions.
- Grantee did not maintain adequate equipment records that evidence efforts to obtain the lowest price.
- Grantee did not maintain adequate records to support that a physical inventory and reconciliation of the results of the grant equipment was conducted at least every two years.

General

- Grantee did not practice effective grant management and lacked sufficient understanding of Federal, State, and grant requirements resulting in areas of non-compliance.
- Board approved policies and procedures were not current and were incomplete.
- Grantee staff were not providing services according to the description of services/scope of work as defined in the grant.
- Grantee did not meet goals/objectives as defined in the grant.