



Agency Response to the Office of the Inspector General's Semiannual Report to Congress

October 1, 2019 – March 31, 2020
Fiscal Year 2020 Semiannual Report No. 1

Corporation for National and Community Service Response to the OIG Semiannual Report 20-01 and Report on Final Action

Over the past year, CNCS engaged approximately 300,000 AmeriCorps members and Senior Corps volunteers in result-driven service at around 45,000 sites across the country. These trained and dedicated citizens met national needs and Administration priorities, helping millions of Americans succeed in school, prepare for 21st century jobs, live independently, and rebuild their lives after addiction, homelessness, job loss, or natural disasters. Our efforts demonstrate continued commitment to effective programs, targeted investments, community impact, evidence-based approaches, and operational efficiency and accountability.

The Corporation for National and Community Service (CNCS) is pleased to share its response to the Office of Inspector General's (OIG) Semiannual Report (SAR) covering the first half of Fiscal Year (FY) 2020 (SAR 20-01).

We begin by noting CNCS's appreciation for the Inspector General's partnership as we implement our Transformation and Sustainability Plan, including the transition to shared services for accounting, procurement, travel, and human capital functions. The Inspector General's establishment of an audit/performance review plan this year – that allows us to concentrate on our migration to shared services – will help position us for a successful transition and, ultimately, address the deficiencies identified in successive audits.

Our agency's progress on shared services for accounting and financial management builds on significant achievements from other Transformation and Sustainability Plan priorities, including the following:

- Implementing a new organizational structure for grant management to improve customer service and maintain financial sustainability. The new structure includes the creation of streamlined Portfolio Manager roles to oversee both the program and financial components of an organization's grant, as well as a new eight-region structure to support service consistency and offer more robust career ladders for CNCS staff;
- Providing our grantees with new, additional tools to help them improve their compliance with criminal history check requirements;
- Establishing a new dedicated Office of Monitoring to provide greater accountability and enable a comprehensive strategy for the agency's compliance monitoring program;
- Creating the Portfolio Navigator, an interactive online tool that provides timely information and insights to support portfolio management and monitoring by CNCS staff;
- Making significant investments in staff and grantee training, including contracting with a training provider to offer unlimited access to hundreds of live and online training courses – including access to more than 25 professional certificate programs and specialty tracks such as financial grant management – to support our staff's professional development.

We recognize that there is still much to accomplish; however, we have a solid plan that balances urgency and funding limitations with a timeline that positions us to successfully continue our important work in

communities across the country.

We note that many aspects of the agency's performance continue to be constrained by limited resources. For example, with regards to CNCS's information security program detailed in the OIG's report, our agency's limited financial resources remain an obstacle to fully address cybersecurity issues. Nevertheless, we continue to work hard to resolve items identified in our most recent FISMA audit.

It is important to acknowledge that as this reporting period concluded, CNCS and our partners in the OIG began operating under very different circumstances than in the fall. In the midst of the current public health and economic crises presented by COVID-19, both our offices have pivoted staff to full-time telework. CNCS is pleased that our partnership with the Inspector General has continued throughout the changing circumstances caused by COVID-19.

At the start of this pandemic in our nation, CNCS quickly exercised appropriate flexibilities to support our grantees, sponsors, members, and volunteers as they focus on safety in service. Programs and members have been able to adjust their activities as necessary, including providing online tutoring and mentoring and checking in on homebound elderly clients by phone instead of in-person. In addition, grantee programs are meeting new community needs; for example, supporting the assembly of COVID-19 testing kits in Washington state, providing additional support to food banks in California, and supporting voluntary contact tracing efforts in Texas. Undoubtedly, our nation's needs will continue to evolve as the country recovers from the COVID-19 crisis. We will continue to work closely with our grantees and partners to assist them in addressing emergent needs.

Even under challenging circumstances, CNCS continues to deliver our services and carry out our core mission. CNCS employees are providing training, technical assistance, and monitoring to develop and support AmeriCorps and Senior Corps programming. This work is reflected in our AmeriCorps and Senior Corps achievements from this SAR period, which include the following:

- We awarded more than \$4.1 million to support the Senior Corps Foster Grandparent Program and Senior Companion Program replacement competitions in 13 service locations across the country. We also awarded more than \$18.3 million in funding to support Senior Corps RSVP programs in 181 locations. These grants continue to support national service programs that mobilize older Americans to serve in communities with proven needs.
- We received and reviewed 415 new, recompeting, and continuation AmeriCorps State and National competitive applications, of which 328 (90 new and recompeting, 238 continuation) were selected for funding. These successful grant applicants will collectively support nearly 39,500 AmeriCorps members in providing critical support to meet local needs across the nation.
- We placed 1,718 AmeriCorps VISTA members at 1,124 service locations across 447 counties and in all 50 states. AmeriCorps VISTA continued to streamline the process for organizations to access VISTA resources through a standardized Request for Concept Papers process. In addition, AmeriCorps VISTA continued its in-service training program and delivered it to 841 members and hosted live online training for 575 sponsor organizations and supervisors during this reporting period.

- In the last class year, NCCC continued to provide a significant amount of service hours across the entire country. Last year alone, NCCC had 1,360 members serve a total of 1,970,096 hours. NCCC members met communities' needs through 568 different projects that reached critical needs in all 50 states, DC, and three US territories. Additionally, during this SAR period:
 - CNCS entered into an agreement with the U.S. Forest Service to leverage AmeriCorps NCCC teams to mitigate wildfire risk to communities, restore resilient landscapes and ecosystems, protect threatened and endangered species habitats, and improve access to our public lands through sustainable recreation.
 - AmeriCorps NCCC received the National Military Fish and Wildlife Association (NMFWA) Natural Resources Conservation Communication - Conservation Partnerships Award for the program's work with the Texas Army National Guard.

[FY 2019 Financial Statement & National Service Trust Audits \(CNCS-OIG Report Numbers 19-01 & 19-02\)](#)

The OIG's Semiannual Report discusses that CNCS has begun the process of transitioning to shared services for accounting operations, contracting, travel, and human capital with the U.S. Department of Treasury Administrative Resource Center (ARC). The migration of these functions to ARC is central to CNCS's ongoing efforts to correct the material weaknesses in its financial reporting, which were reported both in CNCS's annual financial statement audits and in its internal control evaluations in Fiscal Years 2017 through 2019. This migration effort is intensive and targeted for completion during Fiscal Year 2021. CNCS has made the strategic decision to maximize the use of its resources to ensuring an effective transition to ARC, including ensuring that the financial and performance data migrated to ARC's systems are as accurate as possible.

CNCS acknowledges that these corrective actions are long-term efforts, and until they are complete, the results of OIG's Fiscal Year 2020 audits of CNCS and the Trust will be substantially the same as in FY 2019. Moreover, CNCS and the OIG agree that conducting the normal financial audit (as well as CNCS's own internal control assessments over financial reporting) will likely significantly impair our efforts to ensure the best possible migration to ARC. Thus, as part of CNCS's strategic application of resources, and in pursuit of our shared objectives of improving financial management and reporting, CNCS and CNCS-OIG agreed to the extraordinary step of not conducting financial statement audits for Fiscal Year 2020. This decision in no way reflects a weakening of our resolve to improve our financial management and financial reporting. Through the transition to shared services with ARC and other ongoing diligent efforts to improve our processes and systems, CNCS is optimistic that we are well on the path to addressing the concerns raised by OIG's auditors.

[Federal Information Security Modernization Act of 2014 \(FISMA\) & Cybersecurity \(CNCS-OIG Report 20-03\)](#)

CNCS's Office of Information Technology (OIT) has developed a corrective action plan to address each functional area of Identify, Protect, Detect, Respond, and Recover. Some aspects of the corrective action plan have been immediately addressed and will be confirmed during the FY20 FISMA Evaluation. The development of a final approach is dependent on available resources and how those activities align with CNCS strategic and immediate mission objectives. CNCS will continue to look for ways to increase its security posture as it works towards bringing the cybersecurity program to a level of effectiveness.

Performance Audit of CNCS Compliance under the Digital Accountability and Transparency Act (DATA) of 2014 (CNCS-OIG Report 20-05)

CNCS notes that this report acknowledged our progress toward compliance with the DATA Act, which is the result of countless hours CNCS staff have devoted to improving our DATA Act reporting. In response to this report, CNCS has agreed to make a “best practice” improvement to its DATA Act reporting. The audit report acknowledges that this single change (if implemented earlier) would have given CNCS a “high” rating on the quality of its data element completeness, accuracy, and timeliness. Nonetheless, CNCS recognizes that there is still additional room to improve. We will continue to refine our Data Quality Plan; review and improve the CNCS DATA Act Business Process Guide; and, gather and maintain process and decision-making documentation. As CNCS continues its migration to shared services support with ARC, the appropriate processes will be implemented with the goal of ensuring the public receives timely, complete, and accurate information.

Suspension & Debarment

CNCS and the CNCS-OIG share an interest in appropriately using suspensions and debarments in cases where federal interests require protection from individuals and organizations that cannot be trusted to administer federal funds. As noted by the OIG, CNCS encountered some difficulties in being able to process suspension and debarment actions and has otherwise identified the need to improve its overall processes related to entry of suspension and debarment actions into the System for Award Management. While CNCS does not always agree with OIG conclusions in its suspension and debarment recommendations, we seriously consider the information presented by the OIG and take action as appropriate.

Unimplemented Recommendations

CNCS recognizes the OIG’s responsibility under the Inspector General Act to report on what the OIG considers to be open and unimplemented recommendations. CNCS appreciates the OIG’s suggestions to strengthen the agency’s programmatic and business operations.

The OIG reports 146 open and unimplemented recommendations. Of these recommendations, CNCS considers 70% to be open and unimplemented and 30% to be closed and unimplemented. CNCS acknowledges that the outstanding FY17 - FY19 Financial Statement Audit recommendations are open and unimplemented. The majority of these recommendations will be addressed upon the completion of CNCS’s transition to ARC to support accounting operations.

CNCS is actively working to take corrective actions on all open and unimplemented recommendations. Recommendations categorized as closed and unimplemented are identified as such in line with the OMB Circular A-50’s definition of audit resolution. CNCS appreciates the OIG’s ongoing collaboration in this area and looks forward to bolstering collaborative efforts moving forward.

TABLES SECTION

TABLE I

FINAL ACTION TAKEN ON AUDIT, INSPECTION, AND EVALUATION REPORTS

(For the Period October 1, 2019 through March 31, 2020)

	<u>Number of Reports</u>	<u>Disallowed Costs</u>
A. Reports for which final action had not been taken by the commencement of the reporting period	4	-
B. Reports for which management decisions were made during the reporting period	2	\$14,612
C. Reports for which final action was taken during the reporting period	1	\$7,500
1. Recoveries ¹		
(a) Collections and offsets		\$89,234
(b) Property in lieu of cash		-
(c) Other (reduction of questioned costs)		-
2. Write-offs		-
D. Reports for which final action was not taken by the end of the reporting period	4	-

¹ Recoveries can include audits for which final action was taken in prior reporting periods.

TABLE II

**FINAL ACTION TAKEN ON AUDIT, INSPECTION, AND EVALUATION REPORTS WITH
RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE**

(For the Period October 1, 2019 through March 31, 2020)

	<u>Number of Audit Reports</u>	<u>Dollar Value</u>
A. Reports for which final action had not been taken by the commencement of the reporting period	3	-
B. Reports for which management decisions were made during the reporting period	1	\$8,721
C. Reports for which final action was taken during the reporting period	1	-
i. Dollar value of recommendations completed		-
ii. Dollar value of recommendations that management has concluded should not or could not be implemented or completed		\$20,055
D. Reports for which no final action had been taken by the end of the reporting period.	2	-

Table III

AUDIT REPORTS ON WHICH MANAGEMENT HAS MADE A DECISION BUT FINAL ACTION HAS NOT BEEN TAKEN (OTHER THAN MANAGEMENT DECISIONS MADE WITHIN THE PRECEDING YEAR)

(For the Period October 1, 2019 through March 31, 2020)

The agency is not overdue on any reports where action has been taken but not completed.