



AMERICORPS' RESPONSE
to the
OIG SEMIANNUAL REPORT 20-02 AND
REPORT ON FINAL ACTION



AmeriCorps¹ is pleased to share its response to the Office of Inspector General's (OIG) Semiannual Report (SAR) covering the second half of Fiscal Year (FY) 2020 (SAR 20-02).

AmeriCorps appreciates the OIG's acknowledgement of our achievements ranging from reorganizing our grant management and monitoring structure, roles, and processes to migrating to shared services for key accounting, procurement, and travel functions. These were significant initiatives for our agency. While there remains more work to do, our accomplishments reflect our steadfast focus and dedication to improving processes across the agency.

These changes, along with the following progress made on other elements of our agency's Transformation and Sustainability Plan, position AmeriCorps for the future:

- Our recent transition of key accounting, procurement, and travel functions to the Department of Treasury's shared service platform allows us to leverage their expertise and modern technology, eliminate single points of failure, and decrease costly technology investments and upgrades. With these capabilities, AmeriCorps staff can now shift from transactional to strategic work with a stronger focus on our core mission. In the next year, we will similarly transition several key human resources functions to Treasury's shared services.
- AmeriCorps is committed to reducing barriers to access to our resources and engaging people in service. Research showed us that our multiple brand names and visual identities were confusing and difficult to understand. The agency's new brands - AmeriCorps and AmeriCorps Seniors - will reduce the number our visual identities from 15 to two. This change will enable us to tell a more unified story of service and enhance awareness of our opportunities for people, organizations, and communities across the country.
- Our new grants management roles and structure improve clarity and accountability across functions. We are now better positioned to serve our customers by: equipping our field staff to offer the full menu of our programs to meet community challenges; providing more consistent levels of service as a result of more balanced workloads across geographies; and retaining more positions to support our customers by avoiding the significant cost increases we were facing to maintain small offices across the country.
- Our new Office of Monitoring addresses structural weaknesses in our grant oversight by separating those who review grant applications and provide oversight and technical support to grantees from those who test grants for compliance. Our new organizational structure centralizes accountability and creates a center of expertise for monitoring strategy, systems, execution, and reporting.
- We remain focused on streamlining and improving grantmaking processes. For example, the agency created a new process for collecting and analyzing grantees' operational and financial information as part of the application pre-award risk

¹ AmeriCorps is the operating name of the Corporation for National and Community Service.

assessment. The new process streamlines the work and syncs to the agency's risk model factors. As another example, the agency addressed its long-standing challenge with closing grants in a timely manner by employing a comprehensive effort to close expired grants. This process reduced expired, un-closed grants by 47 percent and identified a number of efficiencies that have been incorporated into ongoing closeout activities.

- We have prioritized hiring experienced staff and continue to make significant investments in training and development across the agency. For example, all of the staff hired in our new grant management structure have relevant experience in philanthropy, the nonprofit sector, and grants administration. In fact, more than 2/3 of external hires in our Office of Regional Operations have direct experience administering AmeriCorps grant awards and projects. Additionally, all new and retained staff in our new grant structure have participated in a standardized onboarding and training program that did not previously exist.

Our commitment to a highly-proficient workforce is also evident in our recent contract with a training provider that now offers all AmeriCorps staff the opportunity to pursue a certificate in financial grant management. Previously, this opportunity was only available to a select number of colleagues each year. As an added data point, fifty percent of our regional operations managers have already completed Federal Supervisors Training with the remaining half slated to complete the training by Q3 of FY21. We believe these accomplishments, coupled with the stronger career ladders created by our new regional office structure, set us on the path to sustain an experienced and strategic workforce.

- We are continuing to address the deficiencies identified in our financial audit that will not be resolved by our shift to shared service systems. We are grateful for the Inspector General's continued partnership as we implement our transition to shared services as well as work to resolve these other deficiencies. The Inspector General's establishment of an audit/performance review that postponed key activities this year has enabled us to concentrate on our migration to shared services as well as on resolving these other deficiencies.
- We continue to focus on reducing our programs' improper payment rates, which are driven predominantly by national criminal history check (NSCHC) requirements. In recent years, AmeriCorps made a third-party service available to all grantees and encouraged use of the vendor to help them conduct compliant NSCHCs. A preliminary analysis showed that grantees' use of the service resolved 88 percent of NSCHC-related improper payments.

Continuing to Deliver Our Core Mission

AmeriCorps empowers an ecosystem dedicated to the betterment of communities, and now more than ever, the service of our members and volunteers is needed. We remain steadfast in our goal to enhance operations to ensure this critical work continues, including important support for COVID-19 response and recovery.

Since the COVID-19 pandemic began, AmeriCorps has quickly pivoted to provide maximum flexibility for grantees to modify their program models and service activities to keep members and volunteers serving safely. As of November 11, 2020, our impact reports indicate more than 21,400 AmeriCorps members and AmeriCorps Seniors volunteers assisted an estimated 4.4 million people specifically in response to COVID-19. These members and volunteers have conducted more than 725,000 wellness checks, provided more than 10 million meals, collected and distributed more than 56.5 million pounds of food, and supervised more than 24,000 volunteers who have served nearly 778,000 hours thus far.

Over the course of the pandemic, AmeriCorps and our grantees have shifted to a new way of providing service that keeps people safe, while providing critical resources across the country. Some of our accomplishments from this reporting period include the following:

- As the severity of the COVID-19 pandemic grew and the agency's understanding evolved, AmeriCorps' Disaster Services Unit (DSU) rapidly created and implemented a survey of national service programs actively responding to the crisis. This data collection tool has been integral to a comprehensive response effort.

To ensure sufficient capacity for responding, the DSU also developed a comprehensive virtual training for new AmeriCorps Disaster Response Teams (A-DRTs) and new members or staff of established A-DRTs to provide foundational training for FEMA Mission Assignments. This training placed a priority on pandemic safety and positioned the agency to respond to an extremely active hurricane season despite the challenges brought on by COVID-19. AmeriCorps has managed five FEMA Mission Assignments in disaster-impacted communities - continuing to deploy where it's needed most.

- We provided several avenues of support for AmeriCorps and AmeriCorps Seniors grantees, both as part of our usual business operations and to help navigate what safe volunteering looks like during COVID-19.
 - We awarded 971 program and planning grants through our AmeriCorps State and National program, totaling an investment of \$450,113,814. Some of this funding provided support to State Service Commissions aiding state emergency management officials, developing new program models, and mobilizing members and volunteers to support testing sites, donation warehouses, food banks, and call centers. Additionally, in July of 2020, we awarded \$141,715,844 in AmeriCorps Seniors RSVP grant funds to more than 620 grantees across the country and opened our FY21 AmeriCorps Seniors RSVP Competition. In January 2021, we will announce the AmeriCorps Seniors RSVP awards for 938 open Geographic Service Areas.

- Our agency leveraged flexibilities under the CARES Act that provided needed relief to our programs. Specifically, this act enabled us to do the following in response to the COVID-19 pandemic:
 - Waive matching resource requirements for AmeriCorps Seniors and State and National grantees unable to raise their match due to the pandemic.
 - Allow grantees from our State and National program to receive fixed-amount awards to access their full federal funding based on member enrollment.
 - Reduce the threshold for AmeriCorps members to earn an education award from 100 percent completion of their service to 50 percent if completion was impacted by COVID-19.

- Due to the required shelter-in-place orders issued by many communities, we made a temporary allowance available to over 31,200 eligible volunteers serving with the AmeriCorps Seniors Foster Grandparent and Senior Companion programs. This helped ensure these volunteers remain on program rolls, ready to support their communities once they are able to fully re-engage in their service. We also developed a “Pathway to Service” guide that outlines virtual service options for older adults and provided information about external resources to support them with things like technology assistance and broadband access.

- Through our AmeriCorps VISTA program, we launched a new food security initiative to create a comprehensive and collaborative approach to hunger statewide. The four new grants through this program total \$2 million to support approximately 75 new AmeriCorps members in New Hampshire, Maine, Ohio, and Texas to combat the growing hunger crisis. All four states will be part of a case study run by our Office of Research and Evaluation to measure our impact.

- To further inform how we strengthen communities and our members’ service experience, we recently completed the first year of a three-year impact evaluation of the AmeriCorps NCCC program. This study, consisting of three sub-studies, is intended to identify how participation in NCCC promotes leadership qualities and skills among AmeriCorps members and empowers the communities in which they serve. We expect the full findings of this study in fall 2023.
 - Additionally, to enhance the quality of service for AmeriCorps members in NCCC, we developed and delivered a comprehensive behavioral health framework to better equip staff and members to address mental and behavioral health. This included creating standardized training and resources around education, prevention, risk reduction, and crisis intervention.

Enhancing Our Operations and Maximizing Accountability

AmeriCorps has undergone significant change and made strides in many aspects of our operations over the last two and a half years. Many of the changes we have made address historical issues the OIG references in its Semi-Annual Report cover letter and previous Management Challenges report. These include:

- We support the OIG's efforts to root out fraud. Our new, dedicated Office of Monitoring and new monitoring framework – whose activities are now informed by a more robust risk model – are trained and better positioned to recognize potential concealment behaviors, helping our agency detect and prevent fraud. AmeriCorps is now finishing its first round of monitoring activity in our new structure and framework, and we look forward to working with the OIG to continually calibrate and improve the risk model that directs where we focus our monitoring activity.
- We have streamlined business processes, including how we capture grant applicants' relevant organizational and financial information. With some of these processes now fully digital, we have centralized data collection and eliminated the need to maintain paper-based documents.

No doubt, we still have more work to do and further improvements to achieve. For example, we agree with the OIG's concerns about the agency's antiquated grants management system and service member management system. Modernizing these types of systems is difficult in an austere funding environment. We look forward to receiving feedback from the OIG in their upcoming Management Challenges Report and to considering suggestions relevant to our current operating model.

OIG Report 20-07: Audit of Social Innovation Fund Grant to Youthprise

AmeriCorps continues to focus on oversight of its grants to ensure prudent stewardship of federal funds. We are currently following our standard audit resolution processes to address the findings and recommendations in the OIG's audit of Youthprise (Report 20-07) to meet our Management Decision due on March 31, 2021. Additionally, AmeriCorps appreciates the OIG's concurrence with our assessment that certain recommendations concerning Youthprise's subrecipient monitoring can be closed, as Youthprise no longer receives AmeriCorps funding. AmeriCorps and the OIG agree that the closed recommendations are appropriate for implementation if Youthprise receives AmeriCorps funding in the future.

Multiple AmeriCorps offices are currently developing new processes to ensure that audit findings better inform the Office of Chief Risk Officer's grantee risk assessment framework. Our audit resolution and monitoring staff are also working closely on a streamlined referral and communication process. Standardizing cross-unit information sharing practices will enhance AmeriCorps' ability to identify potential issues, provide training and technical assistance to grantees, and effectively address instances of noncompliance.

Suspension & Debarment

AmeriCorps and our 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. While AmeriCorps 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.

Inspector General Independence & Proposed Regulation Changes

AmeriCorps is committed to providing the OIG with accurate and complete information in a timely manner. AmeriCorps agrees with the OIG that recent changes have improved the processes and communications between AmeriCorps officials and OIG representatives. At the conclusion of the current National Service Criminal History Check rulemaking process, AmeriCorps looks forward to providing the OIG with the full record of the technical assistance it received from the Federal Bureau of Investigation. While the rulemaking process is ongoing, AmeriCorps is carefully reviewing the relevant feedback the agency has received, including from the OIG.

The OIG has fully exercised its obligations under the IG Act to provide AmeriCorps with its recommendations for these regulations. Our limited disagreement with the OIG is over whether the IG Act compels AmeriCorps to allow the OIG to provide contrasting views to the comments, recommendations, and technical assistance that AmeriCorps has received from the other federal agencies on an on-going rulemaking. While respecting the OIG's unique role, AmeriCorps does not believe that the Inspector General is a fully involved participant in AmeriCorps' internal management deliberative processes. However, AmeriCorps looks forward to working with the OIG to further enhance communication and response processes to improve our working relationship.

Open & Unimplemented Recommendations

AmeriCorps has appreciated the OIG's continued communication and collaboration to address open audit findings and unimplemented recommendations. The OIG currently reports 141 open and unimplemented recommendations. Of these recommendations, AmeriCorps considers 79 percent, or 110 recommendations, to be open and unimplemented and 21 percent, or 31 recommendations, to be closed and unimplemented. Recommendations categorized by AmeriCorps as closed and unimplemented are identified as such in line with the OMB Circular A-50 criteria of audit resolution.

The agency acknowledges that all 69 outstanding financial statement audit recommendations are open and unimplemented. As reflected in the OIG's report, these recommendations make up nearly half, or 49 percent, of all open and unimplemented recommendations. We

expect resolution for the vast majority of these recommendations to be completed by FY22, with some being resolved in FY21 as a result of our transition to shared services.

AmeriCorps is conducting a current-state analysis of open financial statement audit findings and unimplemented recommendations that will be addressed by the migration to ARC shared services, updating an initial evaluation conducted in collaboration with ARC in January 2020. We look forward to working closely with the OIG throughout FY21 to complete audit resolution for these recommendations and intend to provide a more detailed update in our next Semi-Annual Report to Congress (SAR 21-01) response in May 2021.

AUDIT TABLES SECTION

TABLE I

FINAL ACTION TAKEN ON AUDIT, INSPECTION, AND EVALUATION REPORTS

(For the Period April 1, 2020 through September 30, 2020)

| | Number of <u>Reports</u> | Disallowed <u>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 | 1 | \$59,573 |
| C. Reports for which final action was taken during the reporting period | 1 | \$14,282 |
| 1. Recoveries ¹ | | |
| (a) Collections and offsets | | \$96,361 |
| (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 April 1, 2020 through September 30, 2020)

| | <u>Number of</u> <u>Audit Reports</u> | <u>Dollar</u> <u>Value</u> |
|---|--|-------------------------------|
| A. Reports for which final action had not been taken by the commencement of the reporting period | 2 | - |
| B. Reports for which management decisions were made during the reporting period | 0 | \$0 |
| C. Reports for which final action was taken during the reporting period | 0 | - |
| i. Dollar value of recommendations completed | | \$0 |
| ii. Dollar value of recommendations that management has concluded should not or could not be implemented or completed | | \$0 |
| 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 April 1, 2020 through September 30, 2020)

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