



FY 2024 CONSOLIDATED FINANCIAL STATEMENTS AUDIT SUMMARY

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AmeriCorps OIG is an independent office that works to protect the integrity of national and community service by providing independent oversight, identifying and mitigating risks and vulnerabilities, and promoting accountability and integrity in AmeriCorps' programs and operations.

Improving financial management remains a top management challenge for AmeriCorps. Sound financial management is critical to effective stewardship of Federal resources; and improved internal controls over operations, financial reporting and compliance are essential to maintain transparency and accountability.

DISCLAIMER OF OPINION ISSUED

Independent auditors have declined to issue an opinion on AmeriCorps' financial statements for the 8th consecutive year. Auditors issued a disclaimer of opinion and reported 11 material weaknesses and two significant deficiencies.

For the 5th consecutive year, AmeriCorps' included a Statement of No Assurance regarding its internal controls over reporting, compliance and operations in its Annual Management Report.

FY 2024 FINANCIAL STATEMENTS AUDIT STATISTICS



LOOKING FORWARD

Next year's financial statements audit will be significant: AmeriCorps has asserted that several remediation efforts across four Material Weakness areas were completed by the end of FY 2024 and are expected to be implemented and audit ready in FY 2025.

AmeriCorps will be challenged to maintain its commitment to and prioritization of addressing financial management issues through the administration change and expiring terms of its Board members.

TOP 3 PRIORITY AREAS

Internal Control Environment: A strong internal control environment is crucial for ensuring that a federal entity manages its activities effectively and efficiently, produces reliable financial reports, and complies with all relevant laws and regulations. Since 2018, auditors have identified AmeriCorps' internal control environment as a material weakness. In FY 2023, AmeriCorps began to work with contractors on the Financial and Operational Reform (FOR) plan to address previously identified internal control issues. Several key operational areas were not audit-ready in FY 2024 due to ongoing FOR remediation efforts. AmeriCorps' internal control environment remains ineffective in assisting management with achieving its operational, reporting and compliance objectives.

Financial Reporting: Since 2017, AmeriCorps' financial reporting process has lacked sufficient processes and internal controls to ensure complete, reliable and accurate data is produced throughout the agency. Accurate and timely financial reporting cannot be achieved due to AmeriCorps' ineffective internal control environment over financial reporting. As an example, after Congress permanently rescinded \$243 million in prior appropriations in March 2024, AmeriCorps recorded the rescission effective September 30, 2024. AmeriCorps asserts that it overinvested its available Trust funds a few days earlier in September resulting in a negative \$62 million Fund Balance with Treasury at the end of FY 2024. This may indicate a violation of the Antideficiency Act and require adjustments and additional disclosures.

Grant Processes: AmeriCorps, a grantmaking agency, has longstanding open recommendations related to the operational and financial aspects of its grant processes, including recording accruals, advances, and undelivered orders. AmeriCorps has indicated that it has been developing new grant processes throughout FYs 2023 and 2024; however, the remediation efforts have yet to be implemented or are not yet audit-ready to date.

IMPROVEMENTS MADE

20 of the 95 recommendations open at the beginning of FY 2024 have been closed. 75 prior year recommendations remain open, along with 3 new recommendations.

Prior Recommendations Open: 75

Closed: 20

MATERIAL WEAKNESSES

Modified Repeat

- Internal Control Environment
- Financial Reporting
- General Ledger Adjustments
- Interface Issues Between Momentum and Oracle

Repeat

- Undelivered Orders – Grants and Grant Activity
- Undelivered Orders and Accounts Payable – Procurement
- Trust Obligations and Liability Model
- Recoveries of Prior Year Obligations
- Grant Processes
- Advances from Others
- Other Liabilities

Significant Deficiencies

- Information Technology Security Controls (Modified Repeat)
- Internal Software Cost (Repeat)

AGENCY RESPONSE

- AmeriCorps acknowledges the disclaimer of opinion
- Expressed concurrence with six material weaknesses and the two significant deficiencies
- Did not concur with five material weaknesses
- Did not specify in its official response to the report with which material weaknesses it was in agreement or disagreement