



March 2017

GRANTS MANAGEMENT

Monitoring Efforts by Corporation for National and Community Service Could Be Improved

Accessible Version

Why GAO Did This Study

Created in 1993, CNCS distributes about \$750 million in grants annually to volunteer and national service programs for needs ranging from disaster recovery to improving education. A 2014 CNCS Office of Inspector General (OIG) report cited problems with grant management. GAO was asked to review CNCS's efforts to improve its grant monitoring.

This report examines (1) CNCS's process for grant monitoring; (2) the extent that this process aligns with relevant internal controls for identifying, analyzing, and responding to risk; and (3) the extent that CNCS has the capacity necessary to monitor grantees' compliance with grant requirements. GAO reviewed agency documents for fiscal years 2015 and 2016; analyzed fiscal year 2015 assessment and monitoring data (the most recent complete year of data available); interviewed agency officials and a nongeneralizable sample of program and grant officers who had experience with grants with negative outcomes, such as greater-than-expected monitoring needs or audit findings; and held discussion groups with a small nongeneralizable number of grantees attending two 2016 training conferences.

What GAO Recommends

GAO is making six recommendations to CNCS, including to ensure that all grants are assessed for risk and that its scoring model prioritizes risk; to review its monitoring protocols; and to develop a strategic workforce planning process. CNCS and CNCS OIG provided technical comments, which were incorporated as appropriate.

View [GAO-17-90](#). For more information, contact Allison Bawden at (202) 512-7215 or bawdena@gao.gov

GRANTS MANAGEMENT

Monitoring Efforts by Corporation for National and Community Service Could Be Improved

What GAO Found

The Corporation for National and Community Service (CNCS) assesses its grants before the beginning of each fiscal year and prioritizes its grant monitoring based on the scoring of certain indicators, such as potential performance or financial problems and the length of time since the last compliance visit. For fiscal year 2015, CNCS identified about 2,200 grants for assessment and prioritized 16.4 percent for compliance visits and 5.4 percent for other types of visits and financial reviews. In addition, each year CNCS selects a sample of grant records to review for improper payments.

CNCS's process for grant monitoring is not fully aligned with the internal controls for identifying, analyzing, and responding to risks (see fig.). Specifically, because CNCS's assessment process does not include all grants, risks may go unidentified. Further, the assessment process uses a scoring model of 19 indicators to analyze and prioritize grants for monitoring visits rather than to identify the highest-risk grants. For example, multiple financial risks are grouped together under one indicator, including for improper payments, and a grant found to have such risks would not be scored as high priority for monitoring based on this indicator alone. In addition, while nearly half of CNCS grant dollars are passed through to other organizations (referred to as subrecipients) and evidence indicates that subrecipient oversight is a key risk area, CNCS's monitoring of grantees' oversight of subrecipients is limited, leaving the agency's response to risk vulnerable in this area.

Areas for Improvement in CNCS's Grant Monitoring Process



Source: GAO analysis of Corporation for National and Community Service (CNCS) monitoring process and GAO Standards for Internal Control in the Federal Government, GAO-14-704G, Principle 7. | GAO-17-90

CNCS has not conducted the strategic workforce planning necessary to determine whether it has the people and resources to effectively monitor grantees' compliance with grant program requirements, as key principles for effective strategic workforce planning suggest. CNCS's workforce management activities to address vacancies have been largely ad-hoc, including vacancies in a key office responsible for grant monitoring, at senior levels across the agency, and among program and grant officers. Some of these vacancies reduced the number of fiscal year 2015 monitoring activities conducted. Further, program and grant officers' workloads varied across the agency, and CNCS has not evaluated whether staff have been deployed where they are most needed. Officials said they had not developed a strategic workforce planning process because of limited resources. Without such a process, CNCS's efforts to address workforce challenges may continue to be ad hoc and reactive.

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Abbreviations

CNCS	Corporation for National and Community Service
ERM	Enterprise Risk Management
IPERA	Improper Payments Elimination and Recovery Act of 2010
IT	information technology
OCRO	Office of the Chief Risk Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
SIF	Social Innovation Fund
VISTA	Volunteers in Service to America

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March 21, 2017

The Honorable Jason Chaffetz
Chairman
The Honorable Elijah E. Cummings
Ranking Member
Committee on Oversight and Government Reform
House of Representatives

The Honorable Mark Meadows
Chairman
The Honorable Gerald E. Connolly
Ranking Member
Subcommittee on Government Operations
Committee on Oversight and Government Reform
House of Representatives

Created in 1993, the Corporation for National and Community Service (CNCS) administers a variety of volunteer and national service programs for needs ranging from disaster recovery to improving education.¹ In fiscal year 2015, CNCS administered grants totaling about \$750 million to support national service, and CNCS reported that nearly 350,000 Americans participated in its major programs. CNCS is the nation's largest federal grantmaker for service and volunteering, and the agency's mission is to improve lives, strengthen communities, and foster civic engagement through service and volunteering. However, recent reports from the CNCS Office of Inspector General (OIG) have cited problems with the agency's grants management, noting that the agency does not have a comprehensive risk management strategy and that its grant monitoring system is inefficient and ineffective.² You asked us to review CNCS's efforts to improve its grant monitoring. In this report, we examine (1) CNCS's process for grant monitoring; (2) the extent to which CNCS's process for grant monitoring aligns with relevant internal controls for identifying, analyzing and responding to risk; and (3) the extent to which

¹ National and Community Service Trust Act of 1993, Pub. L. No. 103-82, § 202 (a), 107 Stat. 785, 873.

² See for example, Office of Inspector General for the Corporation for National and Community Service, *Fiscal Year 2017 Management Challenges* (Washington, D.C.: December 2016); and *Fiscal Year 2014 Semi-Annual Report No. 1 (October 1, 2013 - March 31, 2014)*.

CNCS has the capacity necessary to monitor grantees' compliance with grant program requirements.³

To describe CNCS's process for grant monitoring and improvements under way, we reviewed agency documents, including policies, procedures on assessment and monitoring, and reports from the CNCS OIG for fiscal years 2015 and 2016. We also analyzed assessment and monitoring data from eGrants, CNCS's system of record for grant monitoring activities, to identify the number of grants prioritized for monitoring and the number and types of monitoring activities conducted during fiscal year 2015 (the most recent complete fiscal year of data at the time of our analysis). We determined that CNCS's processes have generally not changed since fiscal year 2015, and as a result, that the data were reliable for the purpose of illustrating aspects of CNCS's current approach to grant monitoring.⁴ To further understand CNCS's monitoring processes and any efforts under way to improve monitoring, we also interviewed agency officials in the Office of the Chief Risk Officer (OCRO), Office of Grants Management, and Field Financial Management Center, as well as officials from CNCS's four largest programs, and observed a compliance visit of a grantee in South Bend, Indiana, selected based on geographic location from a list of visits to be conducted in late summer 2016. Views of the program officials and observations from the compliance visit are not generalizable to all programs or grantees.

To evaluate the extent to which CNCS's grant monitoring process and plans for improvement align with relevant internal controls for identifying, analyzing, and responding to risk, we reviewed the internal control principles in the *Standards for Internal Control in the Federal Government* and selected those we determined to be most relevant to conducting assessment and monitoring activities: principles on risk assessment,

³ You also asked us to review CNCS's information technology (IT) modernization, including its status and alignment with the agency's needs for system functionality to support its grant monitoring process. We plan to present the results of our study on IT modernization in a forthcoming report.

⁴ To test eGrants data reliability, we reviewed related documentation and conducted electronic testing for missing data, outliers, and obvious errors. CNCS also provided data on the number of active grants for fiscal year 2015 and their funding amounts. However, CNCS could not provide funding data at the individual grant level for fiscal year 2015, and we were unable to resolve inconsistencies between data on fiscal year 2015 active grants and data from CNCS's assessment and monitoring activities. As a result, we determined that eGrants data on the number of active grants and funding amounts for individual grants were not reliable for our purposes.

control activities, and monitoring.⁵ We compared CNCS's process—as documented in policies, procedures, and plans—against these principles. We also compared CNCS's process with effective practices in federal grants management, identified in prior GAO work.⁶ To obtain examples of how CNCS's monitoring activities can help identify and mitigate grantee risk, we examined a small judgmental, nongeneralizable sample of eight grants from those that eGrants data identified as having additional monitoring needs, that were terminated early, or that OIG had cited as having audit findings. We selected these eight grants to reflect a range of different programs, geographic locations, and CNCS priority designations. We then conducted semi-structured interviews with the seven program officers and four grant officers responsible for monitoring these eight grants. To gather grantee perspectives on CNCS's assessment and monitoring process, we also conducted four discussion groups with grantees from two CNCS programs (AmeriCorps and Senior Corps) in attendance at two 2016 agency-sponsored training conferences: one in Reno, Nevada, and the other in Springfield, Massachusetts. We also interviewed two grantees representing AmeriCorps State and National (one state commission, and one grantee that operates in several states) as well as officials from two professional associations that include CNCS grantees: The National Council of Nonprofits and America's Service Commissions.⁷ The perspectives gathered from these interviews with grantees and grantee organizations are not generalizable.

⁵ GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014). We compared CNCS's process against these current internal control standards, which became effective October 1, 2015.

⁶ The underlying source of these effective practices was also primarily based on an analysis of federal internal control standards (*Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov. 1999)). These effective practices are described in GAO, *Grant Monitoring: Department of Education Could Improve Its Processes with Greater Focus on Assessing Risks, Acquiring Financial Skills, and Sharing Information*, [GAO-10-57](#) (Washington, D.C.: Nov. 19, 2009); *Recovery Act: States' and Localities' Current and Planned Uses of Funds While Facing Fiscal Stresses*, [GAO-09-829](#) (Washington, D.C.: Jul. 8, 2009); and *Federal Grants: Improvements Needed in Oversight and Accountability Processes*, [GAO-11-773T](#) (Washington, D.C.: June 23, 2011).

⁷ We selected a state commission involved in planning the training conferences, and one grantee that operates in several states and thus had experience with multiple state commissions. We selected the National Council of Nonprofits so that we could discuss how CNCS grants differ from other federal grant programs; and we selected America's Service Commissions because of its work with state commissions, which receive AmeriCorps funds.

To evaluate the extent to which CNCS has the necessary capacity (people and resources) to effectively monitor grantee compliance, we assessed CNCS's workforce management efforts against key principles for effective strategic workforce planning identified in prior GAO work.⁸ We also reviewed CNCS's training practices against the federal internal control standard relevant to workforce planning and competence⁹ and our guide for assessing strategic training and development efforts.¹⁰ We obtained CNCS documents regarding its workforce status and needs, and analyzed eGrants data on the number of monitoring activities completed in fiscal year 2015.

We conducted this performance audit from November 2015 to March 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

CNCS provides grants and technical assistance to organizations throughout the United States to strengthen communities and foster civic engagement.¹¹ In fiscal year 2015, CNCS received appropriations totaling

⁸ GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003). In this work, we identified key principles for effective strategic workforce planning by conducting a review of studies by leading workforce planning organizations and federal agency workforce planning practices.

⁹ [GAO-14-704G](#), Principle 4: Management should demonstrate a commitment to recruit, develop and retain competent individuals.

¹⁰ GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: Mar. 1, 2004). We obtained the information in this guide through consultations with government officials and experts in the private sector, academia, and nonprofit organizations; examinations of laws and regulations related to training and development in the federal government; and by reviewing the sizeable body of literature on training and development issues, including previous GAO products on a range of human capital topics.

¹¹ See appendix I for the amount of grant funds received by, and the number of volunteers serving in, each state in fiscal year 2016.

over \$750 million to fund a variety of grant programs, as shown in table 1.¹² CNCS grants are typically for multiple years in duration.

Table 1: Select Data on Grant Programs Funded by CNCS, Fiscal Year 2015

Program	Grantees and purpose	Appropriation (in millions)	Number of grants ^a	Number of volunteers ^b
AmeriCorps State and National	Provides grants to nonprofit, public, and other organizations to address community needs. Many grants are made to state service commissions, which make subgrants to organizations to operate AmeriCorps programs.	\$335.4	383	69,000
Senior Corps (Foster Grandparent, Retired and Senior Volunteer, and Senior Companion programs)	Provides grants to help fund a network of organizations sponsoring projects staffed by volunteers aged 55 and older to meet community needs.	\$202.1	1,175	270,000
Volunteers in Service to America (VISTA)	Provides grants to community organizations to help create and expand antipoverty programs. VISTA grants include projects in which CNCS awards a certain number of positions to a sponsoring organization and provides benefits directly to VISTA volunteers. No financial resources are provided by CNCS; however, CNCS includes these projects in its grant monitoring efforts.	\$92.4	783 ^c	7,800
Social Innovation Fund	Provides grants to identify, validate, and grow promising approaches to challenges facing local communities.	\$70.0	19	Not applicable ^d
Other grant programs	Provide grants for other purposes.	\$53.4	49	13,000
Total		\$753.3	2,409	346,800

Source: GAO analysis of Corporation for National and Community Service (CNCS) documents. | GAO-17-90

^aThe number of grants is based on CNCS counts of grants as of August 20, 2014, that were expected to be active in fiscal year 2015. Of the total number of grants, at least 191 were new for fiscal year 2015; the rest of the grants had been awarded previously.

^bThe number of volunteers is based on CNCS's approximate counts of volunteers (also called "members" or "participants") as reported in its Agency Financial Report for fiscal year 2015.

^cData on the number of VISTA grants include all grants, including zero-dollar grants. According to CNCS officials, zero-dollar grants provide the authorization for a grantee to operate a VISTA program, but these programs do not receive operational funds from CNCS.

^dThe Social Innovation Fund does not have volunteers in the same way as other grant programs. Instead, the fund works with and through existing grantmaking institutions, or "intermediaries," to direct resources to nonprofit organizations and state and local government entities, or "subgrantees," focused on youth development, economic opportunity, and healthy futures.

¹² CNCS's total appropriation for fiscal year 2015 was about \$1.1 billion.

In 1993, the National and Community Service Trust Act of 1993 was enacted,¹³ which created CNCS and established the AmeriCorps State and National grant programs. This law also gave the agency responsibility for administering VISTA and Senior Corps. In 2009, the Serve America Act was enacted,¹⁴ which gave CNCS responsibility to administer several newly-established programs including the Social Innovation Fund. This act also directed CNCS to focus more on evaluating its programs' performance, and in 2012 we reported on the extent to which CNCS funded activities were covered by its performance measures and on performance measurement challenges.¹⁵ In addition, the Serve America Act generally requires that grantees conduct criminal history checks on volunteers and program employees in national service programs. Criminal history check regulations have been in effect since November 2007 and were expanded after the enactment of the Serve America Act to all national service programs. Beginning April 21, 2011, the law generally required that entities conduct three-part checks—including Federal Bureau of Investigation, statewide registry or repository, and sex offender registry checks—on individuals who will have recurring contact with vulnerable populations.

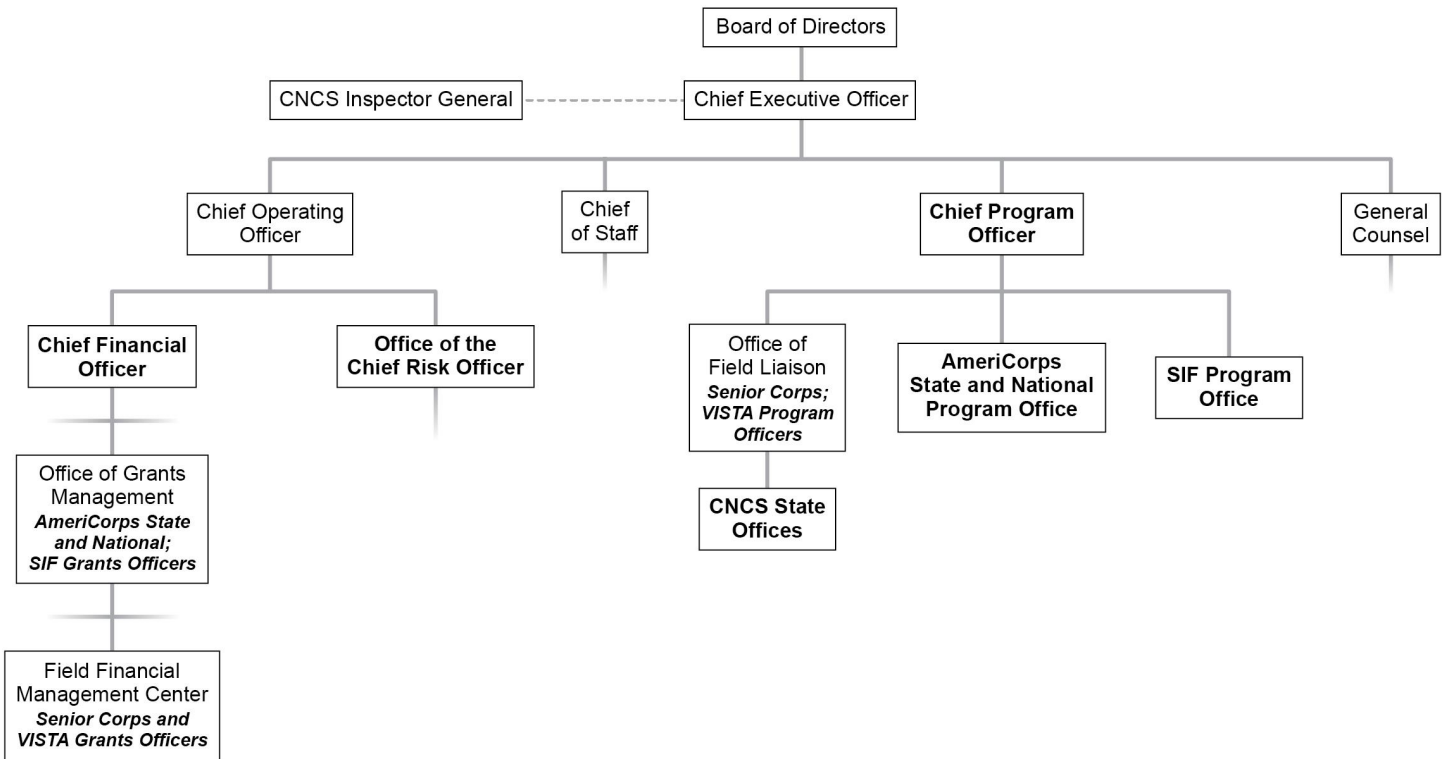
CNCS's Chief Risk Officer, Chief of Program Operations, and Chief Financial Officer share responsibility for assessing and monitoring the agency's grants. Program officers and grant officers implement grant monitoring activities and review grant applications. Program officers, located in program offices overseen by the Chief of Program Operations, focus on issues related to grantee performance and compliance with program objectives. Grant officers, overseen by the Chief Financial Officer, focus on grantees' financial issues and performance. (See fig. 1.)

¹³ Pub. L. No. 103-82, 107 Stat. 785.

¹⁴ Pub. L. No. 111-13, 123 Stat. 1460.

¹⁵ GAO, *Measuring Performance: The Corporation for National and Community Service Faces Challenges Demonstrating Outcomes*, [GAO-12-310](#) (Washington, D.C.: Feb. 17, 2012).

Figure 1: Organizational Chart of CNCS Grant Assessment and Monitoring Staff



Source: GAO analysis of Corporation for National and Community Service (CNCS) documentation. | GAO-17-90

Note: Every state and territory is represented by a CNCS State Office, which is a federal office staffed by federal employees. Among other things, these offices conduct public outreach and program support and are also responsible for overseeing all of the projects for two CNCS programs, Senior Corps and VISTA, within their states.

Federal law requires federal agencies administering programs identified as susceptible to improper payments to estimate the improper payments made by those programs and report annually on their efforts to reduce improper payments.¹⁶ An improper payment is defined by statute as any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements. In addition, the Office of Management and Budget’s (OMB) guidance instructs agencies to report as improper payments any

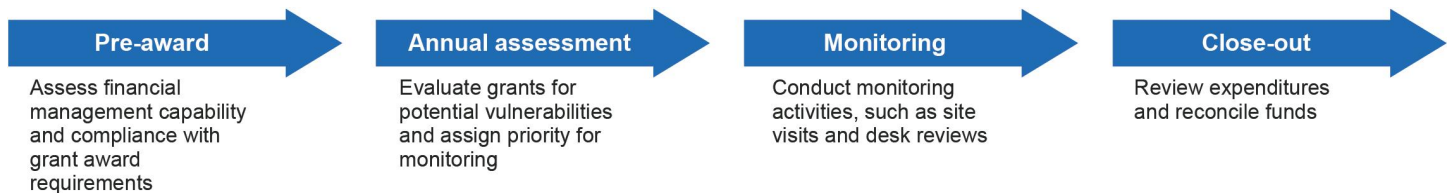
¹⁶ Pub. L. No. 107-300, 116 Stat. 2350, as amended, codified as amended at 31 U.S.C. § 3321 note.

payments for which insufficient or no documentation was found.¹⁷ Since fiscal year 2012, the OIG has reported annually that the agency faced challenges complying with improper payment laws.¹⁸ For example, the OIG found that CNCS did not complete valid fiscal year 2015 improper payment assessments for two of its programs: Senior Companion Program (a Senior Corps program) and Social Innovation Fund.¹⁹

CNCS Has a Process for Assessing Grants Annually to Prioritize Various Monitoring Activities

CNCS program and grant officers are responsible for implementing the agency’s grant monitoring process, which includes activities from the time before the grant award is made to when the grant is closed out, as shown in figure 2.

Figure 2: CNCS’s Grant Monitoring Process



Source: GAO summary of Corporation for National and Community Service (CNCS) policy documents and interviews with agency officials. | GAO-17-90

Note: CNCS has a separate process for estimating and monitoring for improper payments.

Pre-Award. According to CNCS policy, during the pre-award phase (before CNCS makes a grant award), grant officers are to assess the applicant’s financial management capabilities and other aspects, such as whether the grantee has any open audit findings on any current or prior grants. CNCS officials generally are to perform these reviews before

¹⁷ OMB, Memorandum No. M-15-02, *Appendix C to Circular No. A-123, Requirements for Effective Estimation and Remediation of Improper Payments* (Oct. 20, 2014), p.7.

¹⁸ For example, see Office of Inspector General for the Corporation for National and Community Service, *Performance Audit of the Corporation for National and Community Service’s Compliance with the Improper Payments Elimination and Recovery Act of 2010 (IPERA) for Fiscal Year 2015*, OIG Report 16-04 (Washington, D.C.: May 13, 2016).

¹⁹ OIG Report 16-04, p. 5-6.

making an award to a new or current grantee to determine if the grant should be made.

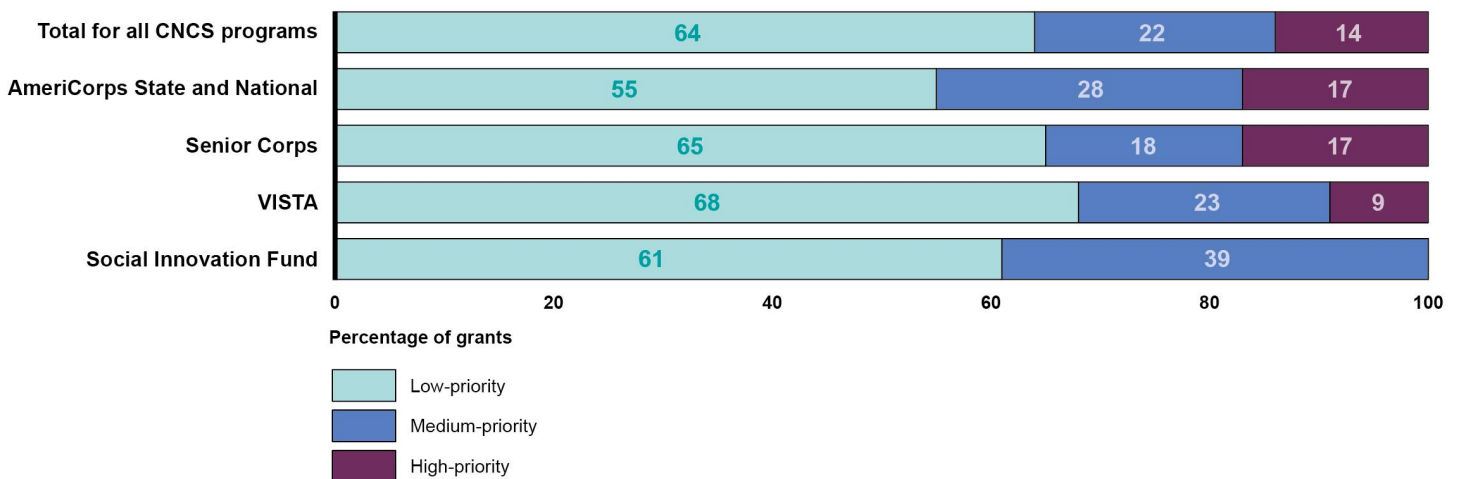
Annual Assessment. To implement the annual assessment (performed between August and October) CNCS personnel are to take the following steps:

- Step 1: determine which grants will be assessed. The universe of grants to be assessed is to include all grants that are active at the time CNCS is ready to begin the assessment, typically in mid-August of each year, and that are expected to be active during the following fiscal year.
- Step 2: assess each grant in the universe identified in step 1 for potential vulnerabilities related to program compliance, financial weakness, or other issues.
- Step 3: rate each grant as a high-priority, medium-priority, or low-priority for various monitoring activities, based on the assessment in step 2.
- Step 4: prepare an annual monitoring plan that identifies which grants will receive monitoring visits, desk reviews, or financial reviews during the coming year, based on the ratings in step 3. The plan is to be prepared by the end of October.

More specifically, during step 2 of the annual assessment phase, CNCS program and grant officers are to jointly assess each grant on 19 criteria that are intended to reflect potential vulnerabilities related to program compliance, financial weakness, or other issues. They are to enter their responses into eGrants, which applies certain weights to each criterion and calculates a score for each grant, up to a possible total of 760 points. During step 3, CNCS officials group grants into three categories based on the grant's total score to determine the grant's monitoring priority: high-priority (150 points or more), medium-priority (80 to 149 points), and low-priority (0 to 79 points). According to CNCS policy, each grant recipient must generally receive a compliance visit by either the program or grant officer every 6 years, so the grant is to be rated high priority for monitoring if 5 years or more have elapsed since the last visit. Also, if a grant receives a high-priority rating, CNCS program officers must generally conduct a compliance visit, or an on-site training and technical assistance visit in the upcoming fiscal year. If a grant receives a medium- or low-priority rating, CNCS program officers can conduct a visit, with supervisory approval, if they determine that it could help address known issues or help prevent future problems.

To illustrate CNCS’s process, we reviewed CNCS grant data for fiscal year 2015 (the most recent complete fiscal year of data available at the time of our review). We found that in August 2014, CNCS had identified a universe of 2,188 grants that were active at the time and expected to be active during fiscal year 2015, and had assessed these grants to plan its monitoring activities for fiscal year 2015. As shown in figure 3, CNCS rated about 14 percent of these grants overall as high-priority for monitoring, with some variation across the agency’s grant programs. For example, 17 percent of AmeriCorps State and National grants included in the assessment were rated high-priority, compared to 9 percent of VISTA grants.

Figure 3: Percentage of Fiscal Year 2015 Grants Assigned Various Priority Levels in CNCS’s Annual Assessment Process, by Program



Source: GAO analysis of Corporation for National and Community Service (CNCS) data. | GAO-17-90

Note: The priority levels were assigned during August 2014 to grants expected to be active during fiscal year 2015, in the programs shown. CNCS also rated eight fiscal year 2015 grants in other programs as high-priority.

Finally, during step 4 of the annual assessment phase, CNCS officials are to set the monitoring plan—which consists of compliance and other types of visits, desk reviews, and financial reviews (such as drawdown analyses)—for the fiscal year.²⁰ A compliance site visit occurs on-site where the grantee does its work, and reviews a wide range of compliance

²⁰ Other monitoring activities include reviews of grantee progress reports and financial reports, as well as routine communications (phone calls and emails) with grantees.

issues following a structured protocol. Other types of visits which may be included in the monitoring plan include:

- follow-up visits, conducted to follow-up on a previous compliance site visit, desk review, or a targeted / issue-based site visit;
- targeted / issue-based site visits, conducted to address specific issues, such as observing CNCS providers delivering training/technical assistance services; and
- training and technical assistance visits, conducted when the grantee is a new grant recipient or there is a new program director, among other situations.²¹

Desk reviews also address compliance issues and can be targeted or comprehensive in scope. For example, a program officer may conduct a desk review of a grantee's AmeriCorps position description to ensure the description complies with legal requirements and agency policy.

Drawdown analyses are financial reviews that are conducted to determine whether certain grantees are drawing down their funds in a timely manner and whether the rate at which they draw down their funds is consistent with the length of time (period of performance) for their award.²² For example, if a grant has completed 50 percent of its period of performance, then one would expect to see about 50 percent of funds drawn down.

Monitoring. During the monitoring phase (performed between October and August), program and grant officers generally are to implement the monitoring activities described in the plan, but can either add or omit an activity with supervisory approval for a number of reasons. For example, program and grant officers may consider adding a monitoring activity for a grant after the initial monitoring plan is set based on issues such as that

²¹ According to agency guidance, CNCS personnel may also conduct "opportunity" visits which are scheduled because of the economy and efficiency of making the trip, such as due to the recipient's proximity to other scheduled monitoring or other CNCS activities.

²² According to agency guidance, CNCS uses drawdown analyses on full-time, fixed-amount grants. The Serve America Act authorized CNCS to award fixed-amount grants which allow programs to apply for a fixed-amount per individual enrolled in the program. Under fixed-amount grants, grantees do not have an approved budget in their grant award and do not have specific restrictions on the use of the grant funds because the amount of the grants will be significantly less than the cost of conducting the program. Grantees can only draw all of the funds awarded if all members participate for the requisite number of hours. CNCS uses drawdown analyses to monitor these grants to help ensure that grantees do not draw more funds than allowed.

the OIG has identified findings with the grantee suggesting that the grantee might be spending grant funds inappropriately. Also, CNCS officials told us there are instances when a compliance visit is canceled, which creates an opportunity to add a grant to the site visit schedule. To illustrate, our analysis of CNCS grant data for fiscal year 2015 indicates that the initial monitoring plan called for 358 grants to receive a compliance visit; by the end of the fiscal year, 385 had been conducted (see table 2). Most compliance visits were conducted with Senior Corps and VISTA grants (programs with the highest number of grants).

Table 2: Number of CNCS Grants with Select Monitoring Activities Planned and Conducted in Fiscal Year 2015, by Program

Number of grants

Program	Included in the annual assessment ^a	With a compliance visit		With a follow-up compliance visit or a training or technical assistance visit		With a desk review		With a draw-down analysis ^b	
		Planned	Conducted	Planned	Conducted	Planned	Conducted	Planned	Conducted
AmeriCorps State and National	377	32	26	13	9	6	7	78	74
Senior Corps	1051	210	233	15	18	0	0	0	0
Social Innovation Fund	18	14	15	2	1	0	1	0	0
VISTA ^c	712	95	103	4	5	0	0	0	0
Other	30	7	8	1	2	0	1	0	0
Total	2188	358	385	35	35	6	9	78	74

Source: GAO analysis of Corporation for National and Community Service (CNCS) data. | GAO-17-90

^aCNCS conducts an annual assessment of grants to determine their priority for various monitoring activities. In fiscal year 2015, CNCS conducted monitoring activities on some grants that were not included in the annual assessment, such as activities planned but not conducted in the prior year.

^bDrawdown analyses are financial reviews that are conducted to determine whether grantees are drawing down their funds in a timely manner and whether the rate at which they draw down their funds is consistent with the length of time (period of performance) for their award.

^cThe number of VISTA grants includes projects that award a certain number of positions to a sponsoring organization, but no financial resources, and CNCS includes the projects carried out by VISTA volunteers in its monitoring efforts.

When conducting a compliance visit, CNCS personnel—typically the program officer—are to use a standard protocol to interview grantee staff regarding compliance with program regulations and policy, including financial accounting for grant funds. During these interviews, CNCS personnel also are to review grantee documentation indicated by the protocol to verify compliance. For example, program officers may ask

grantee staff how they are complying with the criminal history background checks required by the Serve America Act, and may ask for documentation such as reports received from law enforcement agencies.

Close-out. Finally, the close-out phase is to take place at the end of a grant's performance period. During this phase, CNCS officials are to close out the grant by reviewing the recipient's transactions and expenditures reports, and reconciling them with records on the amounts disbursed under the grant. Grantees may also submit a final programmatic report of activities under the grant.

Improper payments. CNCS has a separate process for estimating improper payments,²³ although many of the items reviewed during traditional grant monitoring are also reviewed during improper payment reviews. To determine the extent of improper payments being made through its grant programs, CNCS's process calls for selecting a random sample of Federal Financial Reports (the standard form approved by OMB that federal agencies use to collect financial information) from each program. The sampling is conducted such that records with a higher dollar value have a proportionally higher chance of being included. For each sampled Federal Financial Report, CNCS selects transactions and reviews and tests related documentation in place at the time of the payment. Because most of CNCS's grant funds go to personnel-type costs, CNCS primarily evaluates payments by grantees to individuals working for or serving with that grantee, and verifies the eligibility of the individual to receive those payments according to law, based on the documentation produced at the time of the review. If all the required documentation is not provided, the payment is considered an improper payment in the estimation process. For example, in fiscal year 2015, based on documentation provided during the improper payment review, the Americorps State and National program was estimated to have \$14.5 million in improper payments, mostly due to lack of documentation confirming that criminal history checks were completed prior to making 15 payments to individuals. However, subsequent to the review, CNCS confirmed that in several cases, individuals receiving payments were fully eligible at the time of payment even though the criminal history check was not yet complete, and that although some individuals received payment

²³ As of fiscal year 2016, the Office of the Chief Risk Officer (OCRO) is responsible for conducting the improper payment review. Prior to this, the Office of Accountability and Oversight was responsible.

prior to their documentation being provided, no payments were made to ineligible individuals.

In a 2016 report,²⁴ the OIG recommended that CNCS take action to improve its methodology and reporting on improper payments, as well as to implement procedures to hold grantees accountable for providing documentation. In response, CNCS said it would take several steps to improve its process for estimating improper payments, such as updating its statistical sampling plan and revisiting the improper payment testing and reporting approach, and developing more training. In addition, as of fiscal year 2016, responsibility for conducting reviews and other activities pursuant to improper payment laws was moved to the newly established Office of the Chief Risk Officer (OCRO). Created in fiscal year 2016, the OCRO is now responsible for overseeing and collaborating with agency program and grant offices to develop and implement CNCS policies, procedures, and guidance related to the agency's risk framework, and to coordinate the development and implementation of documentation and reporting processes, including the improper payment review.²⁵ The OCRO is also responsible for developing and for delivering select training and providing technical guidance and support to CNCS staff regarding the implementation of the annual assessment.

In addition, according to CNCS officials, further changes to the grant monitoring process are anticipated as the agency implements Enterprise Risk Management (ERM). In 2014, OMB recommended that agencies consider adopting ERM, which is an approach for addressing the full spectrum of risks and challenges related to achieving the agencies' missions.²⁶ In 2016, OMB issued the revised Circular No. A-123, which required that agencies begin to implement ERM in fiscal year 2017.²⁷

²⁴ OIG Report 16-04, pp.2-3.

²⁵ Prior to creation of the OCRO, the Office of Accountability and Oversight was responsible for grant monitoring and improper payment reviews.

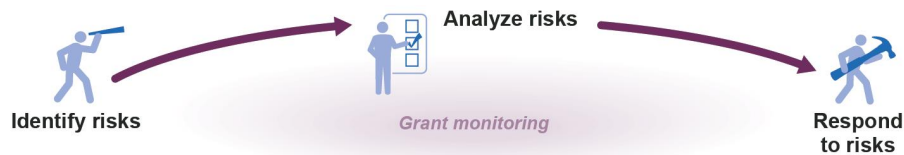
²⁶ OMB, *Preparation, Submission, and Execution of the Budget*, OMB Circular No. A-11, (2014), p. 270-13.

²⁷ OMB, *Management's Responsibility for Enterprise Risk Management and Internal Control*, OMB Circular No. A-123 (revised 2016).

CNCS's Process Is Not Fully Aligned with Internal Controls for Risk Assessment, Control Activities, and Monitoring

CNCS's grant monitoring process includes efforts to identify and mitigate risks but does not fully align with relevant internal control principles for risk assessment, control activities, and monitoring (see fig. 4).²⁸ Specifically, the agency's annual assessment process may not result in the riskiest grants receiving a high-priority for monitoring because of limitations in its scoring model. Also, the annual assessment process does not ensure all grants are included. Further, the agency's monitoring of grantees' oversight of subrecipients is limited. Finally, CNCS has not systematically evaluated its monitoring efforts to identify opportunities to improve its assessment of and response to risks.

Figure 4: Internal Control Principles Relevant to Identifying and Responding to Risk, and to Monitoring



Risk assessment

- **Principle 6:** Management should define objectives clearly to enable the identification of risks and define risk tolerances.
- **Principle 7:** Management should identify, analyze, and respond to risks related to achieving the defined objectives.
- **Principle 8:** Management should consider the potential for fraud when identifying, analyzing, and responding to risks
- **Principle 9:** Management should identify, analyze, and respond to significant changes that could impact the internal control system

Control activities

- **Principle 10:** Management should design control activities to achieve objectives and respond to risks
- **Principle 11:** Management should design the entity's information system and related control activities to achieve objectives and respond to risks
- **Principle 12:** Management should implement control activities through policies

Monitoring

- **Principle 16:** Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
- **Principle 17:** Management should remediate identified internal control deficiencies on a timely basis.

Source: GAO's analysis of Standards for Internal Control in the Federal Government, GAO-14-704G (Washington, D.C.: September 2014). | GAO-17-90

²⁸ [GAO-14-704G](#), Principles 6 through 9.

Limitations in CNCS's Scoring Model Affect Identification and Monitoring of Risk

CNCS's indicators used in its scoring model have limitations that may result in the riskiest grants not receiving a high priority designation for monitoring and that do not meaningfully cover all identifiable risks, such as fraud and improper payments. This is largely because the scoring model is designed to support CNCS's monitoring policy by identifying grants due for a monitoring visit, rather than for specifically assessing risk and using this risk information to drive prioritization of monitoring activities. To this end, we found that CNCS's process for assessing and monitoring its grant portfolio has a number of limitations that prevent it from being fully aligned with the internal control standard stating that management should identify, analyze, and respond to risks related to achieving the defined objectives.²⁹

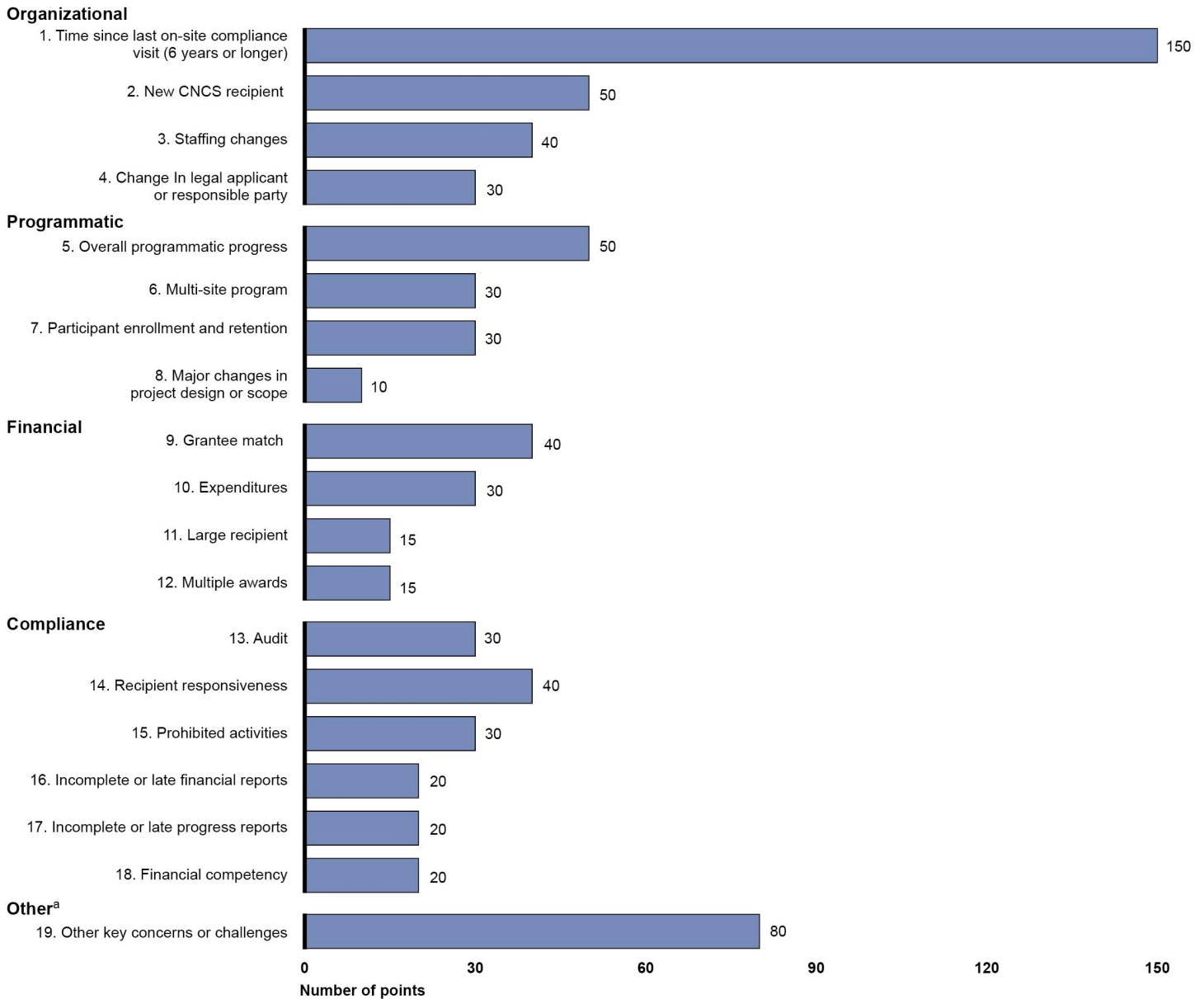
First, we found that some indicators that are not based on risk are given considerable weight in the rating process, while others that are based on risk are given much less weight—far less than the 150 points needed to be designated high priority for monitoring. As shown in figure 5, only one indicator is given sufficient weight on its own to result in a grant being assigned a high-priority for monitoring: “time since last on-site compliance visit” (150 points). According to CNCS guidance, this indicator supports the agency's efforts to ensure compliance monitoring visits are conducted every 6 years, in accordance with agency policy. Agency guidance further states that this indicator is important because potential vulnerabilities may increase as time between visits lengthens. It is important to conduct monitoring visits periodically as required; however, as noted by one officer we spoke with, the amount of time elapsed since the last visit does not necessarily indicate risk. In contrast, the indicator for “prohibited activities” is given much less weight (30 points), even though prohibited activities constitute a significant risk because they are an unallowable use of federal funds. As a result, a check for this indicator may only result in a grant being assigned medium-priority for monitoring and, according to CNCS policy, a monitoring visit or desk review is not required for a grant that receives a medium-priority rating.³⁰ Of the 25 grant awards with “yes” on the prohibited activities indicator in fiscal year 2015, nearly two-thirds

²⁹ [GAO-14-704G](#), Principle 7.

³⁰ According to CNCS policy, the agency may conduct monitoring visits or desk reviews for grants with medium or low priority levels, as it deems appropriate.

were designated as medium priority, and 17 of the 25 did not receive a compliance visit or other monitoring activity that year. Similarly, the indicator for “financial competency” is given even less weight (20 points). A grant would get a “yes” on this indicator if a bankruptcy filing had been made or an intent to file had been announced, or if another federal or state agency had notified CNCS regarding a weakening of an organization’s financial competency. However, a “yes” on this indicator only contributes 20 points to the 150 needed to be designated high priority for monitoring.

Figure 5: Indicators of Potential Grant Vulnerabilities Assessed by CNCS and Their Relative Weight in Points



Source: GAO summary of Corporation for National and Community Service (CNCS) documents. | GAO-17-90

^aAn additional indicator (titled ‘One or more partners or subcontractors’) is applicable to grants to national training and technical assistance providers only.

Second, we found that several potential risk factors were included in a single indicator: “other key concerns and challenges” (80 points). According to CNCS’s scoring model, a grant would receive a score for

this indicator only once, even if it demonstrated the potential for multiple risks. For example, this indicator includes open compliance findings, improper payment findings, and the potential for financial management problems. This indicator also includes any findings from the pre-award review, which CNCS conducts under federal grants management guidance established by the Office of Management and Budget (OMB), referred to as the Uniform Guidance.³¹ A grant that receives a “yes” for this indicator in the scoring model would not receive a high-priority designation on its own, regardless of the severity of the risk or how many of these concerns are noted. Several CNCS grant and program officers we spoke with noted that it may be more useful if some of these potential risks stood alone rather than grouping them together in a single indicator. For example, to give improper payment findings greater weight, one officer suggested there should be an indicator solely based on these findings. Other officers suggested that compliance findings regarding criminal history checks should be elevated to its own indicator, to flag potential or past compliance problems in this area. Another officer suggested that compliance findings regarding concerns with supervision of volunteers should be highlighted through an indicator of its own, because this can indicate problems with prohibited activities.

Third, we found that some indicators may not be calibrated effectively to capture risk. For example, CNCS’s scoring model includes an indicator that identifies whether a grantee has problems with volunteer retention (“participant enrollment and retention”), but this indicator is only marked “yes” if the retention is below 50 percent for 1 year, or 75 percent for 2 years. AmeriCorps State and National program office staff we interviewed told us that 50 percent retention is considered very low, and they would prefer to intervene before performance had dropped to this level.

Lastly, we found that several indicators are too frequently applicable to be useful in distinguishing relative risk among grants. For example, 4 of the 19 indicators were checked “yes” for more than a quarter of the grants

³¹ OMB developed government-wide policies to ensure that grants are managed properly and that grant funds are spent in accordance with applicable laws and regulations. In December 2013, OMB consolidated its grants management guidance documents into a single document, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) to streamline its guidance, promote consistency among grantees, and reduce administrative burden on nonfederal entities, as well as to strengthen oversight of federal funds to reduce risk of waste, fraud, and abuse. Subsequently, CNCS issued regulations adopting OMB’s Uniform Guidance for its grant programs. See 2 C.F.R. § 2205.100.

assessed, which could indicate that they have minimal impact in distinguishing among grants to determine their priority status for monitoring. One indicator—"multiple awards"—was checked for nearly half the grants assessed.

In addition to these limitations in the scoring model, CNCS has not clearly documented its assessment scoring process, although internal controls suggest that documentation could contribute to the effectiveness of this activity.³² The rationale is unclear for why CNCS has defined its indicators and assigned their weights the way it has, and outcomes from this process are not well-documented. CNCS has a monitoring workgroup that is charged with, among other duties, reviewing the indicators used for the annual assessment and determining whether the point value for each indicator needs to be changed. However, CNCS does not have documentation on the criteria used for selecting the 19 indicators or determining their weights. Decisions on changes to the scoring are also not well-documented, and it is unclear how the group decides which indicators are most important. CNCS officials said that the original documentation on indicator selection was not maintained because it was outside the records retention time frame, and in recent years, limited staff capacity contributed to the agency not documenting its decisions on changes to the indicators. Improving documentation on the rationale for CNCS's decisions on indicators and scoring could help the agency revise its indicators in the future to improve their relevance and effectiveness.

CNCS has begun various efforts that could lead to improvements in the scoring model used to support the agency's assessment process, but all of these efforts are in the early stages of development and their ultimate effect is not yet clear. For example, according to the agency's first Chief Risk Officer, who came on board in April 2016, the OCRO is undertaking an effort to benchmark CNCS's assessment criteria and process against other federal agencies and programs with similar grantee profiles (that is, the agency or program funds grantees with varying levels of financial, administrative, and staff capacity). As of July 2016, the OCRO had gathered information from six federal programs and planned to contact

³² [GAO-14-704G](#). Principle 10: Management should design control activities to achieve objectives and respond to risks. Also, one of the attributes contributing to the design, implementation, and operating effectiveness of this principle is 10.03: Management designs appropriate types of control activities for the entity's internal control system, and clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination.

several more. In addition, officials said that the Field Financial Management Center, one of CNCS's two grant offices, had also begun development of a pilot to develop additional indicators of risk, based on a review of past performance of 10 Senior Corps grants and analysis of related data. They said they hope that the results of the pilot will inform future changes to the assessment process, but it is too early to tell at this point how relevant the results will be to other programs.³³ Finally, officials also told us that, as part of the agency's plan for implementing Enterprise Risk Management (ERM) under OMB's revised Circular A-123, CNCS held listening sessions with senior management in spring 2016 to gather their perspectives on key agency risks and began conducting similar sessions with CNCS staff in fall 2016. Officials said that they plan to use this information to create an agency-wide risk profile. Also, in response to the focus on fraud in OMB's revised circular, CNCS had included fraud as a topic in its listening sessions with senior management. However, it remains to be seen the extent to which identification of these top risks agency-wide, including the potential for fraud, will result in changes to the assessment indicators for grant monitoring. As of September 2016, CNCS had not included any indicators of fraud risk in its assessment process.

CNCS Does Not Have a Policy to Assess All Grants Annually, and Some Are Not Assessed

CNCS does not have a policy to ensure all grants, including those awarded after the annual assessment is complete, are assessed for potential risk in the current year. Delaying grants from being included in this process limits CNCS's ability to identify and analyze the significance of certain risks in its grant portfolio, which is inconsistent with internal controls for risk assessment and control activities.³⁴ As described earlier, CNCS's policy and procedures call for its assessment process to begin in August each year to guide its monitoring activities for the fiscal year that will start in October. CNCS determines the universe of grants to be

³³ Officials noted that this pilot includes mostly financial indicators rather than programmatic indicators. In addition, they noted that the pilot was a time-consuming effort due to the data sources used, and it would take significant time and effort to assess all of the office's grants (approximately 1,500) against these indicators.

³⁴ [GAO-14-704G](#). Principle 7 (under Risk Assessment): Management should identify, analyze, and respond to risks related to achieving the defined objectives; and Principle 12 (under Control Activities): Management should implement control activities through policies.

assessed and uses its tool of 19 indicators to assign a priority rating category for monitoring the grants in this universe. CNCS officials said that new grants are particularly vulnerable to being omitted from the assessment process, as these grants tend to be finalized just before the beginning of the new fiscal year when the annual assessment may already have been completed. However, without including new grants in the annual assessment process, CNCS cannot identify and analyze the significance of these risks, and use this information to prioritize these grants for monitoring activities, such as a site visit. As noted by one program officer we spoke with, an initial visit to a first-time grantee can identify issues that would not have otherwise been raised, and can prevent future problems.

Officials acknowledged that the agency does not have a policy regarding how and when to assess grants made after the annual assessment process is conducted in August, and that in practice, these grants are not assessed using its tool of 19 indicators until the following fiscal year's assessment process if the grant is expected to be active for a second year. This was the case with one grant included in our selected review of eight grants with negative outcomes. The grant, funded at over \$200,000 in each of 3 years, was awarded on September 30, 2012, but was not assessed until the summer of the following year. Once assessed, it was deemed high-priority, but was nevertheless subsequently relinquished by the grantee in light of non-compliance findings. Had the grant been assessed as high-priority in its first year, and had it been assigned monitoring activities accordingly from the beginning, the compliance problems may have been avoided.

Due to data limitations, we were unable to determine the extent to which new grants were not included in the annual assessment and received no monitoring in fiscal year 2015.³⁵ However, using data on monitoring

³⁵ To determine the number of grants that had not been assessed, we requested data from eGrants on all grants that were active in fiscal year 2015 to compare with the list of grants included in the annual assessment. In response, CNCS provided three lists: one with 2,477 grants, one with 2,544 grants, and one with 2,807. In our review of the data and discussions with CNCS officials, we identified several possible explanations for the discrepancies between these lists, including: duplicate entries, different definitions of "active," and lapses in edit checks. As a result, however, we determined that the data were not reliable for determining how many fiscal year 2015 grants were not assessed and received no monitoring. CNCS officials noted that staff were working on the requirements for their new IT system, currently under development. We are reviewing these efforts in a separate study on CNCS's IT modernization and will present the results in a forthcoming report.

activities, we identified 44 newly-awarded grants that were not assessed, but nevertheless had received monitoring. It is unclear how CNCS determined that these grants, but not others, warranted monitoring. Without establishing and implementing a policy to ensure that all grants are assessed for potential vulnerabilities in the current year, CNCS may not be using its monitoring resources most effectively, focusing on the highest-risk grants.

CNCS Conducts Limited Monitoring of Grantee Oversight of Subrecipients

CNCS conducts limited monitoring of grantees' oversight of their subrecipients, despite the large amount of grant dollars involved and evidence indicating that subrecipient oversight is a key risk area. According to CNCS, two of CNCS's largest programs, AmeriCorps State and National and Social Innovation Fund (SIF), allow their grantees to have subrecipients,³⁶ involving a significant amount of grant funds—almost half of CNCS's total grant budget in fiscal year 2015. Data included in the agency's fiscal year 2015 financial report shows that CNCS awarded about \$300 million in grants to state commissions that subgrant the funds to organizations in the states to run AmeriCorps programs. Similarly, the report states that CNCS awarded the entire portfolio of SIF grants, about \$70 million, to intermediaries that are required to make subawards to other organizations. Subrecipient oversight also has been identified as a key risk area. For example, in prior work, GAO has concluded that effective practices for overseeing subrecipients are a critical element of ensuring grant funds are used for intended purposes.³⁷

OMB's Uniform Guidance established oversight requirements for pass-through entities, such as CNCS's state commissions, that provide funds

³⁶ Some of the grantees funded by these two programs are entities such as state commissions that pass through their CNCS funds to other organizations (referred to as subrecipients). According to CNCS officials, its two other largest programs, Senior Corps and VISTA, do not allow grantees to make subgrants to subrecipients.

³⁷ GAO, *Federal Grants: Improvements Needed in Oversight and Accountability Processes*, [GAO-11-773T](#) (Washington, D.C.: June 23, 2011).

to other organizations.³⁸ CNCS conducts monitoring activities to review grantees' compliance with these and other requirements. However, an OIG investigation identified concerns about CNCS subrecipients, indicating that additional subrecipient oversight may be needed.³⁹ Among the selected program and grant officers we interviewed (who were responsible for monitoring the eight grants in our nongeneralizable sample of grants with negative outcomes), four identified problems with grants resulting from issues with subrecipients. For example, one CNCS officer told us about a grantee that lost nearly half of its subrecipients over 2 years (from 11 subrecipients to 6); another said the grantee could not implement its program because of problems with subrecipients.

To monitor their grantees' oversight of subrecipients, CNCS programs with subrecipients have developed provisions for subrecipient oversight as part of their programs' standard protocols. However, we found these provisions to be limited in certain areas, such as criminal history checks (see table 3), even though, in fiscal year 2015, CNCS reported that nearly all of its estimated reportable improper payments stemmed from problems with conducting or documenting criminal history checks.⁴⁰ For example, the AmeriCorps State and National program monitors a grantee's oversight of subrecipient compliance with criminal history checks by reviewing a total of 25 volunteer and staff files, but there is no requirement to select the files based on the number of subrecipients, or size of grant. Officials told us that the largest AmeriCorps State grantee

³⁸ According to OMB's guidance, pass-through entities must evaluate each subrecipient's risk of noncompliance and consider imposing specific subaward conditions, if appropriate, based on, for example, their prior experience with similar awards or results of previous audits. Pass-through entities must also (1) review financial and performance reports, (2) follow up to ensure subrecipients take timely and appropriate action on any deficiencies that are detected pertaining to the federal award, and (3) issue a management decision for any audit findings related to the federal award. See *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 78 Fed. Reg. 78,590 (Dec. 26, 2013).

³⁹ An April 2016 OIG investigation found that a subrecipient of a CNCS grant was performing prohibited activities; the OIG found that the grantee's guidance to its subrecipients did not include all abortion-related prohibited activities listed in law, and the grantee's oversight of subgrantees was inadequate. See Office of Inspector General for the Corporation for National and Community Service, *Major AmeriCorps Grantee Allowed Members to Provide Abortion-Related Services Prohibited by Law; CNCS Management Undertakes Robust Actions in Response*, Closed Investigations, accessed April 26, 2016. <https://www.cncsoig.gov/news/closed-cases>.

⁴⁰ See Corporation for National and Community Service, *FY 2015 Agency Financial Report* (Washington, D.C.), p.124.

had five grants with a total of 55 subrecipients.⁴¹ Further, the SIF program’s protocol requires review of 3 employees from a minimum of 3 different subgrantees or subrecipients to gauge compliance; however, the SIF program has had one grantee with as many as 47 subgrantees, and four grantees with 20 or more subgrantees. As a result, the monitoring approach of these CNCS programs may cover only a small portion of their grantees’ subrecipients in some cases. In addition, both programs check that the grantee has a plan for overseeing its subrecipients, but the AmeriCorps State and National program protocol does not require a review of the results of these activities, such as subrecipient progress reports or monitoring findings.

Table 3: CNCS Monitoring Provisions for Subrecipient Oversight

	Grantee oversight of subrecipients	Visits to subrecipient sites	Criminal history check compliance
AmeriCorps State and National	Ensure grantee has implemented a plan for oversight and monitoring to ensure subrecipients are complying with relevant grant requirements	Suggested in certain circumstances	Review 25 volunteer and staff files for compliance at the grantee level, with no specification for reviews at the subrecipient level
Social Innovation Fund	Review grantee’s strategy for monitoring (should be risk-based), including a monitoring plan, and subrecipient monitoring documents	Occurs when subrecipient is located near the grantee	Select 3 employees from a minimum of 3 different subgrantees/ subrecipients to check for the various components of criminal history check requirement

Source: GAO analysis of Corporation for National and Community Service (CNCS) documents and interviews with agency officials. | GAO-17-90

CNCS officials acknowledged that ensuring grantees are overseeing subrecipients is an ongoing challenge. One officer we interviewed suggested that it could be helpful for CNCS to obtain more information from its grantees on how they are managing their subrecipients. Gathering additional information about subrecipients by improving monitoring protocols could help CNCS to ensure that its grantees are overseeing subrecipients appropriately. CNCS officials said they have some plans to update monitoring protocols to address certain risks, but did not provide timeframes for doing so, and it is unclear whether all areas of subrecipient oversight will be addressed.

⁴¹ Officials said that CNCS typically conducts one monitoring visit for a state grantee’s entire portfolio of grants.

CNCS Has Not Systematically Evaluated Its Monitoring Efforts

CNCS has not systematically evaluated the results of its monitoring activities, as called for by internal controls.⁴² Officials said that the agency's monitoring workgroup holds an annual discussion of the year's monitoring activities, but CNCS does not compile monitoring findings, such as types of compliance problems or errors identified, systematically across all programs. Moreover, CNCS has not used data systems for summarizing monitoring findings to use in trend analyses or to evaluate opportunities for improving its monitoring efforts.

A senior official said they had not conducted agency-wide analyses of their monitoring efforts because eGrants does not provide reports that include both assessment information and monitoring results for each grant, and because the agency has had limited staff capacity to manually analyze this data given these limitations in reporting. In addition, officials said that CNCS does not have standardized reporting or longitudinal data to facilitate evaluation of the effectiveness of CNCS's monitoring efforts, although they acknowledged that both would be helpful. With respect to assessment information, the "yes" or "no" data captured in eGrants from the annual assessment process for each of the 19 indicators cannot be easily analyzed for trends. For example, for the indicator on grantee volunteer retention, the eGrants system records a "yes" or "no" for each grant depending on whether the grantee's retention is above or below the indicator's threshold, rather than capturing the actual percentage of volunteers retained.

With respect to monitoring results, each program office has a monitoring tool to complete when conducting on-site monitoring, but these tools are not integrated so that the results can be analyzed within the eGrants system. As a result, some program officers we spoke with described manual approaches they sometimes used to assess common findings from their monitoring activities within their programs. For example, they have used compliance visit letters—sent to grantees to summarize

⁴² [GAO-14-704G](#), Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. Also, one of the attributes contributing to the design, implementation and operating effectiveness of this principle is 16.09: Management evaluates and documents the results of ongoing monitoring and separate evaluations to identify internal control issues. Management uses this evaluation to determine the effectiveness of the internal control system.

compliance visit findings—to determine the effectiveness of monitoring and track trends. CNCS officials told us that, as of November 2016, the agency was developing the requirements for the monitoring component of the agency’s new IT system.⁴³ In developing these requirements, CNCS has the opportunity to provide additional functionality to support evaluation of its assessment and monitoring efforts. However, in the meantime, a more formal effort to summarize monitoring results across all programs could help identify trends and areas for improvement.

CNCS officials also said that they have not fully evaluated the effectiveness of the types of monitoring activities the agency conducts and whether a different mix of these activities could result in improved monitoring outcomes, although the monitoring workgroup has discussed the need to do so. In particular, officials said that because on-site compliance visits can take up to three days and can be very costly, it would be helpful to have a lower-cost alternative, such as a desk review. According to CNCS policy, monitoring may consist of a visit or a desk review. However, we found that in fiscal year 2015, of the 506 grants that received a monitoring activity, only 9 received desk reviews. Several grant and program officers we spoke with commented that greater use of desk reviews could be helpful for identifying and responding to potential risks.

CNCS’s Monitoring Capacity Needs Are Unclear Because It Has Not Conducted Strategic Workforce Planning

CNCS has not conducted the strategic workforce planning necessary to determine whether it has the capacity—including both people and resources—to effectively monitor grantees’ compliance with grant program requirements.⁴⁴ CNCS included plans to conduct a strategic workforce planning process in the agency’s strategic plan for fiscal years 2011 through 2015, but these plans were not implemented. Further,

⁴³ This refers to CNCS’s effort to develop a new IT system that will support its future grant monitoring process. We did not assess CNCS’s activities regarding development of the new IT system. We are conducting a separate study on CNCS’s IT modernization and will present the results in a forthcoming report.

⁴⁴ We have previously defined “agency capacity” to mean people and resources in GAO, *High-Risk Series: An Update*, [GAO-15-290](#) (Washington, D.C.: Feb. 11, 2015).

CNCS does not have a training planning process aligned with agency goals and competencies to help ensure program officers who have similar grant monitoring responsibilities receive the same needed training to perform their jobs effectively.

CNCS Does Not Have a Strategic Workforce Planning Process

CNCS has not developed or documented a strategic workforce planning process as key principles for effective strategic workforce planning suggest.⁴⁵ Without such a planning process, CNCS's efforts to address gaps in staffing due to attrition have been ad hoc and reactive. In addition, CNCS has not established whether differences in workload among grant and program officers in different programs and locations are reasonable, or if these differences also result from ad hoc responses to attrition. Internal controls suggest that agencies demonstrate commitment to various workforce planning activities, such as succession planning, so that vacancies in key roles are filled with competent staff and that the entity can continue achieving its objectives.⁴⁶

CNCS has experienced considerable attrition over the past few years in positions that affected the agency's capacity to conduct key monitoring functions, including staff in the OCRO (previously the Office of Accountability and Oversight), program and grant officers, and other officials at high levels within the agency. Specifically:

- **OCRO:** Nine of 13 staff in OCRO separated from CNCS in fiscal year 2015.⁴⁷ According to the CNCS OIG, as a result of this attrition, as well as the departure of key OCRO staff members at the beginning of fiscal year 2016, this office had few, if any, staff members with

⁴⁵ GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: Dec. 11, 2003).

⁴⁶ [GAO-14-704G](#), Principle 4: Management should demonstrate a commitment to recruit, develop, and retain competent individuals. Also, one of the attributes contributing to the effectiveness of this principle is 4.06: Management defines succession and contingency plans for key roles to help the entity continue achieving its objectives. Succession plans address the entity's need to replace competent personnel over the long term, whereas contingency plans address the entity's need to respond to sudden personnel changes that could compromise the internal control system.

⁴⁷ Of the 9 staff separating from CNCS, 6 were temporary employees and 3 were full-time employees.

sufficient training or experience in grant monitoring and improper payment assessments, among other responsibilities.⁴⁸ Further, in its fiscal year 2015 financial report, CNCS reported that insufficient staff in this office limited its ability to conduct improper payment reviews.⁴⁹ More recently, CNCS officials noted that the only staff person in the OCRO with the knowledge to interpret reports on aggregated data from the grant assessment component of CNCS's eGrants information system left the agency in August 2016. At this time, CNCS was also completing fiscal year 2016 monitoring and beginning the fiscal year 2017 process, which officials said was challenging in the absence of OCRO staff with eGrants expertise. Officials also acknowledged that due to staffing and leadership changes, reviews of eGrants data had become infrequent.

- **Program and grant officers:** During fiscal year 2015, vacancies occurred in 15 program officer and 4 grant officer positions. Officials said that CNCS's efforts to refill positions were handled on an ad-hoc basis, without a strategy for addressing turnover trends throughout the agency to maintain critical skills for monitoring and oversight. Our analysis of CNCS data indicate that these vacancies had an impact on the number of monitoring activities conducted in fiscal year 2015. Specifically, at least 58 desk reviews, drawdown analyses, and monitoring visits planned for fiscal year 2015 monitoring were not completed or were delayed because of staff shortages, in particular the loss of two grant officers.⁵⁰ Several program and grant officers told us that turnover had also affected their workload, often requiring them to manage additional grants. For example, one grant officer said that in addition to his responsibilities for monitoring Senior Corps and VISTA grants, he took on monitoring responsibilities for 40 to 45 additional grants when a grant officer left the agency.
- **High-level officials:** CNCS has also experienced considerable turnover of senior officials over the past few years. Between fiscal years 2012 and 2015, the Director of Accountability and Oversight,

⁴⁸ Corporation for National and Community Service Office of Inspector General, *Semi-Annual Report to Congress: October 1, 2015-March 31, 2016* (Washington, D.C.: 2016).

⁴⁹ Corporation for National and Community Service, *FY 2015 Agency Financial Report* (Washington, D.C.), p.123.

⁵⁰ CNCS's data show that the preponderance of grant monitoring activities not completed due to turnover were drawdown analyses attributed to the separation of two grant officers. In some cases, CNCS records note that the monitoring activity was completed, but the program officer or grant officer did not follow up with the grantee and scheduled monitoring for fiscal year 2016.

Chief Financial Officer, Chief Information Officer, Chief Human Capital Officer, and General Counsel departed the agency.⁵¹ In addition, the Director of the Office of Grants Management and the Director of the Field Financial Management Center also left during this time.

In a previous report, we examined best practices for workforce planning based on a review of studies by leading workforce planning organizations and federal agency workforce planning practices, and concluded that a strategic workforce plan is essential to addressing two critical needs: (1) aligning an organization's human capital program with its current and emerging mission and programmatic goals; and (2) developing long-term strategies for acquiring, developing, and retaining staff to achieve programmatic goals.⁵² In that report, we identified five principles that agencies should follow for effective strategic workforce planning: leadership involvement; determining critical skills and competencies; developing strategies to address gaps; building capacity to support workforce planning; and monitoring and evaluating progress toward human capital goals and programmatic results.

We found that CNCS's most recent strategic plan (for 2011-2015) had called for developing and implementing a strategic workforce plan that reflects a workforce assessment, identifies new competencies, and includes an ongoing assessment of CNCS's key work requirements; however, as of fall 2016, the agency had not yet taken these actions, and the agency does not have a strategic plan in place for fiscal year 2016 or beyond. CNCS officials said that they recognize the importance of strategic workforce planning—which can help with key agency functions such as grant monitoring—and that efforts to refill vacancies had been ad hoc, but that they had not yet had an opportunity to begin such planning because of limited resources. In October 2016, officials said they would begin strategic workforce planning soon, but could provide no time frames or documentation about its planned efforts.

In addition, we found that the planned monitoring workloads and responsibilities of program and grant officers varied across the agency, and that CNCS had not evaluated whether these differences reflect an appropriate deployment of resources to monitor grantees effectively. For example, data from eGrants showed that, across CNCS's offices,

⁵¹ The staff and responsibilities of the Office of Accountability and Oversight were assumed by the OCRO when it was established in fiscal year 2016.

⁵² [GAO-04-39](#).

program officers' workloads ranged from 1 to 13 planned monitoring activities, while grant officers' workloads ranged from 1 to 44 planned monitoring activities.⁵³ Some grant officers and program officers we interviewed noted that not all grants require the same amount of time to monitor. For example, certain grantees require more day-to-day communication, depending on such things as their capacity, experience, and number of subrecipients. Program and grant officers also described recent changes to their workloads resulting in part from more comprehensive grant application reviews. A CNCS program management official told us that increasing responsibilities for grant application reviews, resulting from new initiatives and partnerships with other federal agencies, had reduced the amount of time available for grant monitoring.⁵⁴

While the program or office where an officer works might explain some workload differences, CNCS officials told us that they have not evaluated whether staff have been deployed to the offices where they are most needed for grant monitoring. As a result, it is unclear if workload differences are reasonable or if they are affecting the agency's capacity to monitor grantees effectively. Senior officials said that the grant monitoring workload distribution is based on the results of the annual assessment process, but they do not balance the number of high-value, high priority grants for monitoring across grant and program officers. Instead, their reviews of the effectiveness of the agency's workload distribution to meet its monitoring objectives have been ad hoc. In the absence of a strategic workforce planning process that fully incorporates and is consistent with key principles for effective strategic workforce planning, CNCS's efforts to address gaps in staffing and to deploy program and grant officers where they are most needed may continue to be ad hoc and reactive.

⁵³ Planned monitoring activities include compliance visits, training and technical assistance, and financial reviews, among others. We excluded six program officers and two grant officers from this analysis because we were unable to identify their workloads in CNCS's data.

⁵⁴ According to CNCS officials, during fiscal year 2015, CNCS grant officers and program officers reviewed applications for 20 grant application competitions, an increase from 12 application competitions in 2014 and 10 in 2013. CNCS officials said that some of the grant application competitions do not require the review of both program officers and grant officers. Applications for some of the competitions are lengthy, some have as few as five applications to review, and others have limited applications or just a budget to review.

CNCS Does Not Ensure Program Officers Are Offered or Receive Training in Key Areas

CNCS does not ensure that all program officers with similar grant monitoring responsibilities are offered or receive the same needed training to perform their jobs effectively, as suggested by internal controls.⁵⁵ Although program officers have been asked to conduct fiscal monitoring, not all CNCS offices have planning processes that ensure their program officers receive training on this topic. In addition, CNCS's planning process for training is not aligned with agency goals and critical competencies, which was identified in GAO's guide for assessing training as a way to focus strategically on improving performance.⁵⁶

We reviewed CNCS's training plans for new staff and lists of training offered to staff in each office and found that training offerings vary by office, including training on certain key areas of grant monitoring responsibility (see table 4). Program officers in the AmeriCorps State and National program office generally did not receive training on fiscal monitoring, even though they have been asked to conduct fiscal monitoring.⁵⁷ Similarly, in fiscal year 2015, grant officers did not receive ongoing training on CNCS's grant monitoring practices, although officials said that grant officers received this training in fiscal year 2016. While officials said that program officers in the Office of Field Liaison received training on fiscal monitoring,⁵⁸ four program officers that we interviewed said that they needed additional training on fiscal monitoring, in part to help them better understand fiscal terminology and review financial

⁵⁵ [GAO-14-704G](#), Principle 4. Another attribute contributing to the effectiveness of this principle is 4.05: Management recruits, develops, and retains competent personnel to achieve the entity's objectives. Management considers the following: [. . .] Train – Enable individuals to development competencies appropriate for key roles, reinforce standards of conduct, and tailor training based on the needs of the role.

⁵⁶ GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: Mar. 1, 2004).

⁵⁷ Officials said that AmeriCorps State and National and Social Innovation Fund program officers may have chosen to participate in the fiscal monitoring training provided to program officers in the Office of Field Liaison, but that the training was designed for program officers in the Office of Field Liaison.

⁵⁸ Officials said that the Office of Field Liaison began providing this training in 2009 and completed training for all program officers in 2013. Since 2013, the office has provided fiscal monitoring training for new employees in the Office of Field Liaison.

documents.⁵⁹ One of the four program officers noted that because she is not as familiar with fiscal monitoring, she sometimes had to contact her grant officer with fiscal compliance questions while conducting a monitoring visit. In addition, a grant officer told us that training on CNCS’s grant monitoring tool, including specific examples of information that could be provided to respond to questions on the tool, would help grant and program officers meet their monitoring responsibilities more efficiently and effectively.

Table 4: Variation in CNCS Program and Grant Officer Training Opportunities, by Office

Program and grant officer training opportunities	Program Offices			Grant Offices	
	AmeriCorps State and National	Office of Field Liaison	Social Innovation Fund Program Office	Field Financial Management Center	Office of Grants Management
New employee orientation training includes CNCS compliance monitoring practices	Yes	Yes	Yes	No	No
New employees receive one-on-one coaching on compliance monitoring	Yes	Yes	Yes	Yes	Yes
New employee 2-year training program provided by an outside vendor, with option to receive a nationally-recognized certification	No	No	No	Yes	Yes
Ongoing refresher trainings or optional developmental training on CNCS grant assessment and monitoring were offered in fiscal year 2015	Yes	No	No	No	No
Fiscal monitoring training is provided to program officers	No	Yes	No	Not applicable ^a	Not applicable ^a

Source: GAO analysis of Corporation for National and Community Service (CNCS) documents and interviews with CNCS officials. | GAO-17-90

^a Officers in the Field Financial Management Center and Office of Grants Management are grant officers. Grant officers take a class on Cost Principles for Federal Awards as part of their 2-year training program described above.

Officials told us that variation in training opportunities occurred because each program and grant office is responsible for planning training for their staff at the individual level, and practices varied. At the office level, each CNCS office meets with the Office of Human Capital to discuss skills gaps, needs, and priorities of staff. For example, they consider such

⁵⁹ These program officers said that they are primarily responsible for carrying out monitoring visits, which include fiscal compliance monitoring, because grant officers’ workloads are too high to attend these visits unless there is a serious fiscal need.

issues as training required by law and the number of staff in need of particular training. The Office of Human Capital administers a training needs survey to each office at the beginning of each fiscal year. At the individual level, officials told us that each year, employees work with their supervisors to develop a workplan that includes training requirements.⁶⁰

However, CNCS's training planning process is not aligned with agency goals and critical competencies, as GAO's guide for assessing training identified as essential for effective performance.⁶¹ In GAO's guide for assessing training, we state that it is essential that agencies ensure training and development efforts are undertaken as an integral part of, and are driven by, their strategic performance planning processes. By taking this approach, agencies can help ensure that their training and development efforts are not initiated in an uncoordinated manner, but rather are focused on improving performance toward their goals as laid out in their strategic plan. Well-designed training and development programs, linked to agency goals and to the organizational, occupational, and individual skills and competencies, are needed for the agency to perform effectively.⁶² In our review of the documents outlining CNCS's planning process for training, we found no links to agency goals for grant monitoring and associated competencies for program and grant officers. CNCS officials said that they have not reviewed competencies or assessed gaps in critical skills and competencies agency-wide since 2008, and that they have been continuing to operate under a 2011-2015 strategic plan.⁶³ In September 2016, CNCS officials said that they plan to build an employee development program, but it is unclear whether this effort will link training to agency goals and competencies for program and grant officers. In the absence of a training planning process linked to current agency goals and competencies, program and grant officers may continue to receive inconsistent training opportunities, and the opportunities provided may not fully address important aspects of their grant monitoring responsibilities.

⁶⁰ The workplan that CNCS provided to us notes that employees should complete required training, such as monitoring training, in a timely manner.

⁶¹ [GAO-04-546G](#).

⁶² [GAO-04-546G](#), p.5.

⁶³ CNCS reviews competencies for grant officers and program officers when individual position descriptions are updated with vacancy announcements, but the agency last determined critical competencies in 2008.

Conclusions

CNCS programs support efforts across the country designed to strengthen communities and foster civic engagement through service and volunteering. To do this, CNCS awards grants totaling hundreds of millions of dollars annually and must ensure that those funds are used in accordance with program rules and federal requirements, such as OMB's new Circular A-123. In particular, as CNCS implements these new requirements, further emphasis on assessing and responding to risks, as well as taking an agency-wide, strategic approach to its workforce planning, will be key to strengthening CNCS's ability to effectively monitor its grants and to move toward a risk-based approach to these activities.

Although CNCS has an assessment process for prioritizing grants for monitoring activities, there are limitations in the scoring model that underpins this assessment process. These limitations result in a process that does not fully identify potential risks, such as the potential for fraud, or result in the riskiest grants receiving the highest priority for monitoring. Further, some grants are not included in this assessment process, but are monitored regardless and without the benefit of information from the assessment. In addition, available documentation does not indicate how CNCS developed its indicators or their scoring, or how the agency has changed them over time. Taken together, these issues create vulnerabilities for CNCS in its ability to meet federal standards for internal control with respect to risk assessment, control activities, and monitoring principles. CNCS's efforts to benchmark its assessment criteria and pilot new risk indicators are positive steps in enhancing its approach to assessing risk and determining monitoring priorities; however, these efforts are in their early stages. Going forward, it will be important for CNCS to complete its benchmarking efforts and ensure that information from these efforts is used to address the limitations we identified in the agency's scoring model and in documenting its decisions about it.

Further, CNCS conducts limited reviews of how its grantees oversee their subrecipients, although subrecipient performance is critical to grant success. Reviewing monitoring protocols to ensure that they include collection of information on grantees' oversight of subrecipients' activities will help to identify and mitigate any risks posed by subrecipients. Also, CNCS has not evaluated its monitoring activities or gathered data systematically to enable analysis of how well its current efforts assess risk. By reviewing the outcomes and findings from its monitoring activities,

CNCS will be better positioned to improve these processes and determine the effectiveness of these activities.

CNCS has taken some steps in workforce planning to fill vacancies in monitoring staff and key senior management positions, but the agency has not developed a strategic workforce planning process, which would help to address its workforce challenges at a strategic, agency-wide level. In addition, departures of senior officials and staff with grant monitoring responsibilities have affected the agency's capacity to conduct key monitoring functions; but these departures were handled on an ad-hoc basis, without efforts designed to maintain critical skills for monitoring and oversight. Meanwhile, staff workloads and responsibilities have changed due to staff turnover and other factors, but CNCS has not reviewed its workload distribution on an agency-wide level. In order to ensure the agency can effectively monitor its grantees, it will be important for CNCS to take a strategic approach to workforce planning in order to address current and future agency needs. Finally, CNCS does not ensure that all program officers have opportunities for or receive training on their grant monitoring responsibilities, particularly for fiscal monitoring. Its training planning process is not aligned with agency goals and competencies, and the agency has not reassessed these competencies in a number of years. Updating competencies for grant monitoring and planning training to address agency goals and critical competencies would help CNCS ensure that its workforce can meet current and future grant monitoring needs.

Recommendations for Executive Action

To improve CNCS's efforts to move toward a risk-based process for monitoring grants and to improve its capacity for monitoring grantee compliance, we are making the following six recommendations to the Chief Executive Officer of the Corporation for National and Community Service:

1. Ensure that CNCS completes its efforts to benchmark its assessment criteria and scoring process to further develop a risk-based approach to grant monitoring and that information from this effort is used to (a) score the indicators so that the riskiest grants get the highest scores; (b) revise the assessment indicators to meaningfully cover all identifiable risks, including fraud and improper payments; and (c) document decisions on how indicators are selected and weighted.

2. Establish and implement a policy to ensure that all grants expected to be active in a fiscal year, including those awarded after the annual assessment, are assessed for potential risk.
3. Review monitoring protocols, including the level of information collected for oversight of subrecipients' activities such as criminal history checks, and enhance protocols, as appropriate.
4. Establish activities to systematically evaluate grant monitoring results.
5. Develop and document a strategic workforce planning process.
6. As part of CNCS's efforts to develop an employee development program, update critical competencies for grant monitoring, and establish a training planning process linked with agency goals and these competencies.

Agency Comments

We provided CNCS a draft of this report for review and comment. CNCS did not comment on the report's findings or recommendations, but did provide technical comments, which we incorporated as appropriate. We also incorporated technical comments received from CNCS OIG, as appropriate.

We are sending copies of this report to the appropriate congressional committees and the Chief Executive Officer of the Corporation for National and Community Service. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or bawden@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.



Allison Bawden
Acting Director, Education, Workforce, and
Income Security

Appendix I: State-by-State Data on Corporation for National and Community Service (CNCS) Grants

Table 5: Number of CNCS Projects and Volunteers, and Funding by State, Fiscal Year 2016

State	Number of CNCS grants/projects	Number of volunteers	Total CNCS funding ^a
Alabama	82	9,635	\$9,152,881
Alaska	23	633	\$2,941,445
Arizona	60	3,702	\$9,211,551
Arkansas	59	4,591	\$7,229,399
California	364	25,508	\$73,375,903
Colorado	113	7,659	\$22,637,068
Connecticut	51	3,348	\$8,237,050
Delaware	18	1,305	\$2,523,326
District of Columbia	113	3,671	\$24,144,397
Florida	159	14,418	\$29,471,153
Georgia	96	3,992	\$14,526,254
Hawaii	35	3,166	\$4,090,080
Idaho	42	2,755	\$4,261,729
Illinois	144	14,140	\$22,196,259
Indiana	86	6,421	\$10,558,532
Iowa	76	6,847	\$15,728,319
Kansas	52	5,481	\$6,045,291
Kentucky	68	5,482	\$12,953,497
Louisiana	82	4,949	\$12,973,407
Maine	25	2,338	\$5,027,898
Maryland	82	8,156	\$18,987,226
Massachusetts	146	9,001	\$31,675,544
Michigan	151	10,166	\$21,126,893
Minnesota	96	15,653	\$35,121,147
Mississippi	55	3,118	\$13,159,659
Missouri	88	6,136	\$11,132,714
Montana	41	4,849	\$7,502,090
Nebraska	43	3,070	\$6,663,263

**Appendix I: State-by-State Data on Corporation
for National and Community Service (CNCS)
Grants**

State	Number of CNCS grants/projects	Number of volunteers	Total CNCS funding^a
Nevada	36	2,414	\$4,370,247
New Hampshire	27	2,941	\$5,825,741
New Jersey	78	6,081	\$11,910,101
New Mexico	88	4,566	\$5,724,313
New York	254	26,229	\$67,198,074
North Carolina	108	7,688	\$15,836,148
North Dakota	17	3,330	\$2,349,296
Ohio	108	10,119	\$19,159,789
Oklahoma	53	7,439	\$9,457,780
Oregon	78	5,850	\$12,352,922
Pennsylvania	129	15,765	\$25,664,442
Rhode Island	34	4,220	\$4,938,865
South Carolina	71	4,073	\$10,083,018
South Dakota	32	3,457	\$3,692,401
Tennessee	83	6,193	\$11,144,660
Texas ^b	232	33,667	\$32,563,990
Utah	63	5,187	\$11,728,511
Vermont	26	2,403	\$4,476,522
Virginia	95	5,724	\$10,324,809
Washington	102	8,745	\$23,991,442
West Virginia	47	3,798	\$9,552,979
Wisconsin	88	9,728	\$14,618,993
Wyoming	22	1,165	\$2,479,091

Source: GAO analysis of Corporation for National and Community Service (CNCS) State Profiles (data as of February 22, 2016). | GAO-17-90

^aTotal funding amount does not include education awards. Funding amounts for territories are not included.

^bData for Texas is as of April 13, 2016.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Allison Bawden, (202) 512-7215 or bawdena@gao.gov

Staff Acknowledgments

In addition to the contact named above, Margie K. Shields, Assistant Director; Dana Z. Hopings, Analyst-in-Charge; Jason S. Palmer; and Sarah M. Martin made key contributions to this report. Alexander G. Galuten, Monica P. Savoy, Ruben Montes de Oca, Kathleen van Gelder, Michael L. Kniss, Amy Sweet, Nicholas Weeks, and James E. Bennett also provided assistance.

Appendix III: Accessible Data

Data Tables

Text for Highlights figure: Areas for Improvement in CNCS's Grant Monitoring Process

Grant monitoring

1. **Identify risks:** CNCS's process to assess potential vulnerabilities omits some grants
2. **Analyze risks:** CNCS's scoring model to determine monitoring activities does not prioritize the highest-risk grants
3. **Respond to risks:** CNCS's monitoring of some identified risks is limited

Source: GAO analysis of Corporation for National and Community Service (CNCS) monitoring process and GAO Standards for Internal Control in the Federal Government, GAO-14-704G, Principle 7. | GAO-17-90

Data Table for Figure 1: Organizational Chart of CNCS Grant Assessment and Monitoring Staff

Organizational chart Chart of CNCS Grant Assessment and Monitoring Staff

- Board of Directors
- Chief Executive Officer
 - CNCS Inspector General

These four report to the Chief Executive Officer

- Chief of Staff
- General Counsel
- Chief Operating Officer
 - Chief Financial Officer
 - Office of Grants Management (AmeriCorps State and National; SIF Grants Officers)
 - Field Financial Management Center (Senior Corps and VISTA Grants Officers)
- Chief Program Officer

- Office of Field Liaison (Senior Corps; VISTA Program Officers)
 - CNCS State Offices
- AmeriCorps State and National Program Office
- SIF Program Office

Source: GAO analysis of Corporation for National and Community Service (CNCS) documentation. | GAO-17-90

Text for Figure 2: CNCS’s Grant Monitoring Process

1. **Pre-award:** Assess financial management capability and compliance with grant award requirements
2. **Annual assessment:** Evaluate grants for potential vulnerabilities and assign priority for monitoring
3. **Monitoring:** Conduct monitoring activities, such as site visits and desk reviews
4. **Close-out:** Review expenditures and reconcile funds

Source: GAO summary of Corporation for National and Community Service (CNCS) policy documents and interviews with agency officials. | GAO-17-90

Data Table for Figure 3: Percentage of Fiscal Year 2015 Grants Assigned Various Priority Levels in CNCS’s Annual Assessment Process, by Program

Percentage of grants

	Low-priority	Medium-priority	High-priority
Total for all CNCS programs	64	22	14
AmeriCorps State and National	55	28	17
Senior Corps	65	18	17
VISTA	68	23	9
Social Innovation Fund	61	39	0

Source: GAO analysis of Corporation for National and Community Service (CNCS) data. | GAO-17-90

Data Table for Figure 4: Internal Control Principles Relevant to Identifying and Responding to Risk, and to Monitoring

Grant monitoring

1. **Identify risks**
2. **Analyze risks**
3. **Respond to risks**

Risk assessment

- Principle 6: Management should define objectives clearly to enable the identification of risks and define risk tolerances.
- Principle 7: Management should identify, analyze, and respond to risks related to achieving the defined objectives.
- Principle 8: Management should consider the potential for fraud when identifying, analyzing, and responding to risks
- Principle 9: Management should identify, analyze, and respond to significant changes that could impact the internal control system

Control activities

- Principle 10: Management should design control activities to achieve objectives and respond to risks
- Principle 11: Management should design the entity's information system and related control activities to achieve objectives and respond to risks
- Principle 12: Management should implement control activities through policies

Monitoring

- Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
- Principle 17: Management should remediate identified internal control deficiencies on a timely basis.

Source: GAO's analysis of Standards for Internal Control in the Federal Government, GAO-14-704G (Washington, D.C.: September 2014). | GAO-17-90

Data Table for Figure 5: Indicators of Potential Grant Vulnerabilities Assessed by CNCS and Their Relative Weight in Points

	Potential vulnerability	Number of points
Organizational	1. Time since last on-site compliance visit (6 years or longer)	150
	2. New CNCS recipient	50
	3. Staffing changes	40
	4. Change in legal applicant or responsible party	30
Programmatic	5. Overall programmatic progress	50
	6. Multi-site program	30
	7. Participant enrollment and retention	30
	8. Major changes in project design or scope	10
Financial	9. Grantee match	40
	10. Expenditures	30
	11. Large recipient	15
	12. Multiple awards	15
Compliance	13. Audit	30
	14. Recipient responsiveness	40
	15. Prohibited activities	30
	16. Incomplete or late financial reports	20
	17. Incomplete or late progress reports	20
	18. Financial competency	20
Other ^a	19. Other key concerns or challenges	80

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