



ARRA REPORT BY THE
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2009-08-0173

September 3, 2009

ARRA
FSSA COMMUNITY SERVICE FOR OLDER AMERICANS (SCSEP)

Indiana Inspector General David O. Thomas and State Examiner Bruce A. Hartman of the Indiana State Board of Accounts report as follows:

This report addresses an evaluation of funding from the Senior Community Service Employment Program (SCSEP) within the Employment and Training Division of the United States Department of Labor.¹ SCSEP is also known as the “Community Service for Older Americans” program.

Indiana administers SCSEP federal funding through the Division of Aging² of the Family and Social Services Agency (FSSA).

SCSEP is a community service and work based training program for older workers. It was originally enacted in 1965 by Congress in Title V of the Older Americans Act³ to provide subsidized, part-time, community service work

¹ 29 USC §551 *et seq.*

² The Division of Aging is established within FSSA at IC 12-9.1-1-1.

³ 42 USC, Chapter 35 (1965).

training for low-income persons age 55 or older who have poor employment prospects.

On February 17, 2009, the United States Government enacted the American Recovery and Reinvestment Act⁴ (ARRA). The ARRA intends to provide a stimulus to the United States economy by providing \$787 billion in program funding and tax credits.⁵

The purpose of this report is to document a preliminary ARRA compliance review of the ARRA funding through the SCSEP program by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

I

To date, the FSSA Division of Aging has been awarded \$621,560 in ARRA funds to be expended through June 30, 2010. The Division of Aging plans to build upon the existing SCSEP program by providing additional seniors with employment training and community service organization work experience while being paid a minimum wage.

II

The OIG's enabling statute provides that the OIG "is responsible for addressing fraud, waste, abuse and wrongdoing in agencies." IC 4-2-7-2(b).

The SBOA has similar duties, including the authority to develop and

⁴ American Recovery and Reinvestment Act of 2009, P.L. No. 111-5, 123 Stat. 115 (2009).

⁵ See: <http://www.recovery.gov>.

publish “accounting and uniform compliance guidelines manuals” (“Manuals”) to provide guidance to public entities, IC 5-11-1-24(a), to perform audits, IC 5-11-1-9, and to make written findings regarding violations of its Manuals or “any law.” IC 5-11-5-1(a).

Within these authorities, a preliminary review of the SCSEP program was made. This review included, but was not limited to, reviewing the program objectives, meeting with the program staff, reviewing agency-completed spending plans, reviewing monthly update reports submitted to the Indiana Office of Management and Budget (OMB) and an assessment of the program’s risks.

From this preliminary review, we make the following findings and recommendations.

III

A

Findings

1

We find from our initial review, except for the issue addressed below, that the controls over SCSEP are adequate to meet the respective federal ARRA and State OMB guidelines and requirements.

2

We did find that the sole contractor for the existing SCSEP had findings in their 2007 federal A-133 audit report which were also repeated in their 2008

federal A-133 audit report.

At a later date, we may perform additional procedures as deemed necessary to verify status of compliance requirements.

B

Recommendation

Accordingly, our single recommendation is that the FSSA Division of Aging require its contractor to immediately correct the circumstances leading to the previous A-133 findings.

Dated this 3rd day of September, 2009.



David O. Thomas, Inspector General