
Recreation and Conservation Funding Board (RCFB)

Agency: 467

Audit Report: 2007 F

Finding Number: 002

Finding: The Recreation and Conservation Office does not have adequate internal controls over subrecipient monitoring.

Resolution: The Recreation and Conservation Funding Board (RCFB) is addressing this audit finding as follows:

Allowable costs/cost principles

The Board is working to develop a formal risk assessment tool and process, and has contacted the Office of Financial Management, Risk Management Division, for assistance.

Once the tool is developed, risk assessments of all new grantees and all existing grantees with active agreements will be conducted on a biennial basis. At a minimum, this assessment will include a review of financial data, prior performance, and audit records. The results of the assessment will be used to identify the grantee as high, medium, or low risk and will be presented to the Board's grant program review group for additional review, as appropriate, based on the level of risk. This group, comprised of section managers of the Board's grant management program, will review the audits, check recommendations, and determine if corrective action plans are adequate.

In August 2008, staff started reviewing subrecipient financial records to ensure that costs reimbursed are accurate and allowable. In November 2008, staff began presenting the results to the internal audit review group. This group analyzes the results of the staff review and makes recommendations for changes that a specific subrecipient needs to make or changes that the Board should implement to its policies or internal business practices to improve overall compliance with federal regulations.

In order to ensure that site inspections and final reports are adequately documented in the Board's Project Information System (PRISM) and the grant project file, the section manager or designee will conduct a monthly review of closed grants to ensure that PRISM and the grant project files are complete. In November 2008, a senior outdoor grant manager (OGM) position was established in each of the Board's grant management sections. One of their responsibilities is to review completed projects to ensure that they are properly closed. Senior OGMs are developing a checklist to help with this process.

Earmarking

The Board does not agree that internal controls were inadequate for tracking the one percent limitation on grant funds used for administrative costs related to the grant. The Board charged one percent administration for internal costs; there were no administrative charges included from our sponsors. This earmark, defined by the Memorandum of Understanding dated May 1, 2000, was followed.

Status of Audit Resolution

December 2008

Audit requirement

In June 2008, the Board updated its internal policies related to compliance with federal audit requirements. The policy now requires placing subrecipients in suspended status for lack of either audits or valid extensions from their federal cognizant agencies. In October 2008, the Board started reviewing subrecipient audit results and tracking corrective action plans for completion.

The Board will also revise its standard contract terms and conditions to include the federal audit requirements.

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