
Recreation and Conservation Funding Board (RCFB)

Agency: 467

Audit Report: 2008 F

Finding Number: 006

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

Resolution: The Recreation and Conservation Funding Board (Board) developed a formal risk assessment tool and process. With the implementation of this tool in December 2009, risk assessments will now be conducted on all grantees on a biennial basis when new grants are funded. The results of the assessment are used to categorize the grantee as high, medium, or low risk, and that risk category influences the level of subrecipient monitoring required. For example, for each active grantee in the high-risk group, the Board plans to perform a desk review or a site visit within each two-year period and may require more frequent progress reports.

The Board's subrecipient monitoring has evolved into a five-pronged approach:

1. Invoice review: Prior to payment of invoices, fiscal staff review the expenditure listing to ensure items are allowable under the grant, costs are within limitations of the grant, and expenditures are within the timeframe of the grant.
2. Desk review: In August 2008, fiscal staff started performing desk reviews to ensure costs reimbursed are accurate and allowable. These are after-the-fact reviews of grantees, checking source documents such as timesheets, vendor invoices, and bank records against amounts billed to the Board.
3. Audit review: Annually, fiscal staff review the audit reports of all grantees required to undergo a federal audit. For grantees not required to have an audit, staff ensure there is a letter on file certifying the grantee is below the dollar threshold requiring a federal audit.
4. Site visits and training: Both the desk reviews and feedback from subrecipients indicated that many grantees were in need of training on some basic grant requirements such as timekeeping. As a result, fiscal staff now conduct weekly online training sessions that allow grantees to participate in real-time and ask specific questions. Staff will also be visiting a large proportion of the high-risk grantees over the next two years. The purpose of these visits is to review the subrecipient's records and processes, answer their specific questions, and provide additional training to grantee staff.
5. Review of closed grants: Starting in March 2009, each time an agreement is closed, grant management staff review the grant project file and the Board's project information system to ensure site inspections, project deliverables, and final reports are complete and adequately documented.

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