
Recreation and Conservation Funding Board (RCFB)

Agency: 467

Audit Report: 1003607

Finding Number: 001

Finding: The Recreation and Conservation Office pays grantees without ensuring all services as stated in the grant agreements are received.

Resolution: The Recreation and Conservation Funding Board is in the process of developing significant changes to internal controls over grantees to ensure all services as stated in the grant agreements are received. The plan below is modeled on the new grants administration process used for monitoring salmon grants. Refer to audit report 2009 F, finding number 004, on page 73.

The Board will modify its risk assessment tool used for salmon grants to accommodate all other grants. The risk assessment will categorize each grantee as high, medium, or low risk based on weighted criteria being developed. The Board will complete the risk assessment for all grantees with active grants and will contact each grantee to share the results of the risk assessment, including the level of documentation required for each grantee's billings. These steps will be completed by April 2011, and the invoicing for grantees will change to reflect the new requirements effective June 1, 2011.

In addition, the Board will modify the requirements of future grantee agreements, develop training for grantees, and implement additional monitoring activities as follows:

- New agreements will be written that focus on the overall deliverables of the grant.
- New agreements will require electronic progress reports every six months, at a minimum, and electronic, detailed final reports prior to final payment.
- Site visits by the Board's fiscal staff to review grantee's fiscal records will be implemented. Because high-risk grantees will already be providing full substantiation of reimbursement requests, these visits will focus on the low and medium risk grantees. The purpose of these visits is to review the grantee's records and processes, answer their specific questions, and provide additional training to grantee staff. These visits will also provide verification that the Board's grantee risk assessment approach is effective. The Board will analyze the processes used, track identified issues, and report issues back to the grantee.
- Training for grantees will be developed and available on demand. The Board will also post training materials online.

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Status of Resolution of Audit Findings

December 2010

Recreation and Conservation Funding Board (RCFB)

Agency: 467

Audit Report: 2009 F

Finding Number: 003

Finding: The Recreation and Conservation Office is not in compliance with federal cash management requirements.

Resolution: The Recreation and Conservation Funding Board developed a new cash advance policy, effective August 14, 2010, that is in compliance with federal cash management requirements. Some of the key changes to the policy are as follows:

- All entities that plan to request an advance of federal funds are now required to sign a cash advance agreement, which details the Board's cash advance policy and the consequences of noncompliance. Cash advance agreements shall be signed by the financial authorizing authority within an organization and renewed every two years.
- Federal funds will only be used for advances that represent 30 days of estimated expenditures. The subrecipient is required to submit a reconciliation for each advance within 30 days after expenditure of the initial advance. The Board will review the reconciliation within 15 days of receipt of the documentation from the subrecipient.
- No more than three advances may be active for a subrecipient at any one time and paperwork for prior advances must be current in order to receive another.

The Board communicated the new cash advance policy to all eligible subrecipients, emphasizing changes and restating the Board's intent to consistently enforce consequences for noncompliance with the policy. The Board has started to receive the cash advance agreements required to implement this change.

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Recreation and Conservation Funding Board (RCFB)

Agency: 467

Audit Report: 2009 F

Finding Number: 004

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

Resolution: Last year, the Recreation and Conservation Funding Board implemented a process to review subrecipient audit reports, when they were required, and improved its final review of grant project files. This year, the Board continued to make significant improvements to its internal controls over subrecipient monitoring including the following:

1. Risk assessment: The Board completed a risk assessment on all subrecipients that have active salmon grants and categorized each subrecipient as high, medium, or low risk. The risk assessment evaluates several risk criteria and assigns a point value to each. The Board contacted each subrecipient to share the results of the risk assessment and the level of documentation required for each subrecipient's payment request, as a result.
2. Invoice review process (change effective April 1, 2010):
 - Prior to payment of each invoice, fiscal staff review the expenditure listing to ensure items are allowable under the grant, costs are within limitations of the grant, and expenditures occurred within the time frame of the grant.
 - After fiscal review, outdoor grant managers review the invoice and approve. Outdoor grant managers oversee projects and ensure timely completion within scope and program.
 - After the grant manager's approval, the fiscal office performs a final review. Based on the outcome of the risk assessment, some subrecipients are required to provide expanded backup. This expanded backup includes copies of time sheets, invoices, and volunteer logs. The fiscal office reviews the documentation and releases payment.
3. Site visits: Effective August 2010, Board staff began to visit at least twelve subrecipients annually. Because high-risk subrecipients are already providing full substantiation of reimbursement requests, these visits focus on the low and medium risk subrecipients. The purpose of these visits is to review the subrecipient's records and processes, answer their specific questions, and provide additional training to subrecipient staff. These visits will also provide verification that the Board's subrecipient risk assessment approach is effective. The Board will analyze the processes used, track identified issues, and report issues back to the subrecipient.
4. Training: Fiscal staff conducts weekly online training sessions on preparation of billing reimbursements. The training allows subrecipients to participate in real time and ask specific questions. Fiscal staff also provides training for subrecipients as requested.

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