

# **PRELIMINARY EVALUATIONS OF STATE AGENCY AMERICAN RECOVERY AND REINVESTMENT ACT PROGRAMS**



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**A Report from the Performance Audit Division**

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**Office of the State Auditor  
Stacey E. Pickering**

***Preliminary Evaluations of State Agency  
American Recovery and Reinvestment Act Programs***  
July 29, 2009

## ***Introduction***

- **At least 16 state agencies will receive more than \$2.35 billion in ARRA funding**
- **Hundreds of sub-recipients will benefit from the funds from these agencies**

**ARRA requires:**

- **transparent, timely, and accurate reports to the public**
- **increased accountability**
- **stronger internal controls**
- **efforts to reduce fraud, waste, and abuse**
- **projects to avoid unnecessary delays and cost overruns**

In February 2009, when the American Recovery and Reinvestment Act (ARRA) was signed into law, Congress and the media spoke of the unprecedented accountability that would be tied to the ARRA funds. Since then, talk has turned into federal regulations and federal oversight teams to oversee states' use of this money. Congress expects states and other recipients to place added emphasis on the reduction of fraud, waste, and abuse, as well as on strong oversight of the funds. To the extent that ARRA requires transparent, timely, and accurate reports to the public; increased accountability; stronger internal controls; efforts to reduce fraud, waste, and abuse; and the avoidance of unnecessary delays and cost overruns, the State Auditor realized the importance of being involved in the oversight process, much as OSA has been involved in Katrina recovery oversight.

The Mississippi Office of the State Auditor (OSA) realized the need to begin assessments of agency preparedness before the funds were completely disbursed. OSA immediately began to plan how it would be possible to conduct "real-time" auditing; how it would rise to the task of unprecedented accountability; and how it would help State, other government, and non-government entities maneuver through what was to come. Through legislation, internal activities, and work with other agencies, OSA began various outreach and evaluation activities. OSA has developed and participated in training sessions and continues to work closely with other State oversight agencies, such as the Governor's Office.

Since the Performance Audit Division (PAD) is well suited to conduct "real-time" auditing and oversight activities, the State Auditor tasked the division with identifying ARRA funded agencies and arranging for preliminary evaluations to gather a baseline of data. This would be a first step toward meeting the challenge of unprecedented accountability. This report summarizes the interviews and data gathering from the following sixteen agencies: The Mississippi Arts Commission, Mississippi Office of the Attorney General, Mississippi Department of Agriculture and Commerce, Mississippi Department of Education, Mississippi Department of Employment Security, Mississippi Department of Environmental Quality, Mississippi Department of Health, Mississippi Department of Human Services, Mississippi Department of Medicaid, Mississippi Department of Public Safety, Mississippi Department of Rehabilitative Services, Mississippi Department of Transportation, Mississippi Development Authority, Mississippi Forestry Commission, Mississippi Institutions of Higher Learning, and the Mississippi State Board for Community and Junior Colleges. These 16 agencies



- Any Performance Audit begins with a preliminary evaluation memo  
- This report compiles 16 such memos

- This report accounts for at least \$2,350,048,472 in ARRA funds; however, there are more funds that will come into the State

- Memos in this report are based on self-reported information gathered during personal interviews, website reviews, and submitted documentation

- Website: [www.osa.state.ms.us](http://www.osa.state.ms.us)

account for at least \$2,447,082,939 of the ARRA funds already allocated to the State.

This report is not a performance audit, but merely contains a summary of preliminary, self-reported baseline data and information designed to be used as a starting point for future work that will be conducted over the next several years by the OSA and others to ensure accountability and reduce fraud, waste, and abuse of taxpayers' dollars.

A preliminary survey, such as the work done for this report, is typical in the first planning stage for a future performance audit. It is an integral part of the planning and scoping process for the latter stages of performance audits. Such an audit survey is an educational process for a Performance Audit team. Should additional Performance Audit work be required for ARRA funded programs, the data collected now—and summarized in this report—will serve as a basis for that work.

The main purposes are to acquaint auditors with relevant activities of an auditee; to identify potential areas of concern, which will require additional audit work; and to obtain information for use in planning and performing the detailed audit work that generally follows. After initial data gathering and interviews, a survey memo is prepared for review, and a decision is made whether to conduct a performance audit. If the results of the audit survey indicate the need for a performance audit, then an audit plan/program is developed. At the actual performance audit stage, the primary purpose would be to obtain substantive data relating to preliminary findings and to formulate reasonable alternatives or recommendations to improve economy, efficiency, or effectiveness of the program's operations. This report is a compilation of 16 agency preliminary evaluation memos that may serve as a baseline in the future for determining the needs of a performance audit, an internal audit, or other types of oversight reporting and evaluations.

The information contained in these memos is self-reported and accurate as of the date of the interview. Limited documentation was collected, and there was no testing of data in this phase of work. The objective of this work was to evaluate each agency slated to receive ARRA funds directly from the federal government using a survey instrument developed from several sources including federal and state entities.

After completion of the survey instrument, OSA identified each agency and contacted them to schedule an interview conference. Two audit teams that included members from the Performance Audit Division, the Technical Assistance Division and the Investigations Division scheduled agency interviews throughout June and July. Teams requested personnel from ARRA impacted divisions as well as from Human Resource, Financial and Accounting, and other relevant areas to attend the interviews.

Using the survey instrument as a guide, audit teams interviewed various agency staff about job creation and retention; planned uses; internal controls; staffing; expertise and experience with federal programs; plans to mitigate problems, delays, etc.; ways to reduce fraud, waste, and abuse; ways to ensure compliance and federal reporting requirements; and communication and transparency of operations.

These memos have been compiled into one collective report to provide the public with a brief overview of the potential that the ARRA funds have to affect the State of Mississippi and its citizens. This report is not, by itself, intended to make any recommendations for specific actions at an agency level. Nor does this report attempt to analyze the data and information gathered at this time.

This report should be viewed in light of an informational and background brief with summary information only and should not be used to make judgments about the quality of any programs mentioned.



## MS Arts Commission

- MS Arts Commission will receive \$350,000 in ARRA Funds

- Grants of up to
  - \$25,000 for large entities
  - \$7,500 for small entities

- Job retention—One time-limited position

- Website:  
[www.arts.state.ms.us](http://www.arts.state.ms.us)

On May 22, 2009, an OSA Performance Audit team conducted a pre-audit assessment of the Mississippi Arts Commission (MAC) with its Executive Director, Deputy Director, Grants Program Administrator, Fiscal Officer, and the Special Initiative Director. The MAC will be receiving \$350,000 under ARRA and will subsequently establish a new program, the Arts Reinvestment Initiative (ARI). This new program will provide one-time grants to nonprofit organizations and government agencies in Mississippi to support jobs in the arts that have been cut or are in danger of being eliminated. Their funding stream will come through the National Endowment for the Arts (NEA), which was allocated \$50 million dollars nationwide under ARRA to support the preservation of jobs in the nonprofit arts sector.

The ARI program will award its ARRA funding to both large staffed art organizations and smaller volunteer groups that produce art activities. Larger groups are eligible to receive up to \$25,000, while smaller groups are eligible to receive up to \$7,500. In addition, MAC will only be offering grants to organizations they have previously funded or worked with in the last four (4) years.

As a mandate of the NEA, ARRA is considered a one-time special funding source, and MAC will not be creating any new jobs. Instead, MAC will be retaining one (1) time-limited position to administer the ARI program using ARRA funds. They will award the remaining funds as grants.

According to their interview responses to OSA questions, the staff feels they have a sufficient level of internal controls and oversight in place to handle ARRA funding. They noted that they are in compliance with the Department of Finance and Administration requirements for internal controls. The MAC has established a governing body, consisting of the agency's Executive Director, Deputy Director, Grant Program Administrator, and Fiscal Officer, to oversee/manage the overall implementation of ARRA program funds. They also reported that they have established an operations manual for the new program. In reference to prior audit findings, the agency has taken corrective measures to make sure all previous audit issues have been addressed.

They have established department heads and have a separate Fiscal Officer who will oversee the ARI funds. The Deputy Director has oversight over the work of the Fiscal Officer.

The MAC grant award process utilizes a committee review system, which includes outside "experts" in the field of the arts and arts organizations. In the case of a known conflict, panel members are required to recuse themselves.

They will have an independent audit of funds at the appropriate time. To comply with the rules of ARRA, the agency has ensured us they have in place an outlet for two-way communication between the public and the agency. Their website contains information on the new program to be established and all the necessary contact information and is located at [www.arts.state.ms.us](http://www.arts.state.ms.us).

In addition to the employee policies and procedures manual, MAC provided OSA audit staff with a procedures manual related to the new ARI program. They further stated they would make every effort to remain in compliance with both State and federal laws and regulations.



## MS Office of the Attorney General

An OSA Performance Audit team interviewed staff from the Mississippi Office of the Attorney General (AGO) in a pre-audit assessment of ARRA related programs on June 23, 2009. The Directors of the Crime Victims' Compensation Division, the Cyber Crime Unit, Human Resources and Payroll, Accounting, Administration, and an Executive Secretary all attended the ARRA program review. In total, the AGO will receive \$637,367 for ARRA programs.

In response to initial questions related to ARRA program funding, the AGO conveyed that no new programs would be created and two existing programs will receive additional funding. The two program areas that are receiving additional ARRA funds are the Cyber Crime Unit (part of the National Internet Crimes Against Children (ICAC) Program) and the Crime Victim's Compensation Unit. These two existing programs appear to have clearly stated missions and objectives and have been in operation for a number of years.

The Director of the Cyber Crime Unit noted that this program would create two (2) new positions utilizing the ARRA funds. One is a contractual position for an educational trainer/specialist, and one is a full-time position for an attorney/prosecutor. A synopsis of the job duties for these positions was provided during the OSA interview. The program director also noted that three (3) jobs would be retained in the program as a result of the ARRA funds. These jobs include two (2) full time investigator positions and one administrative assistant position. The Director of the Cyber Crime Unit noted that the ARRA funds for that division would be used to hire and train additional personnel, attend conferences, travel, and for certification purposes. No sub-granting would occur with the ARRA funds. The Director of the Crime Victims' Compensation Division conveyed that no jobs would be created with ARRA funds in that division and the funds received would be used for the purposes stated on their website. From the AGO website:

*The Crime Victim Compensation Division provides financial assistance to victims of crime and their family members. The goal of the division is to provide a method of compensating and assisting those persons who are innocent victims of criminal acts and who suffer bodily injury or death. In addition, the Division provides information referrals and advocacy outreach programs.*

*The Division operates with a revenue derived from fees, fines and assessments imposed on criminals, court ordered restitution and federal grants. Applicants to the program can apply for reimbursement for lost wages, mental health and medical treatment and funeral expenses.<sup>1</sup>*

In discussions related to internal controls, the staff noted they have submitted the required certification letter to the Department of Finance and Administration as well as the required federal grant application forms, which have been approved by the federal government. They identified a sufficient number of personnel with the requisite qualifications to implement and oversee the ARRA funds.

AGO staff noted that no separate governance body has been or will be created within the agency to oversee/manage the overall implementation of the ARRA funds. AGO staff also stated that receipt of the ARRA funds will be handled routinely, just as all federal funds are handled and that no new or additional

- MS Office of the Attorney General will receive \$637,367 in ARRA Funds

- Two programs:
  - Cyber Crime
  - Victims' Compensation Division

- Job Creation/Retention
  - Cyber Crime – 2 new, 3 retained
  - Victims' Compensation - no new jobs

- Website:  
[www.ago.state.ms.us](http://www.ago.state.ms.us)

<sup>1</sup> [http://www.ago.state.ms.us/index.php/sections/victims/victim\\_compensation](http://www.ago.state.ms.us/index.php/sections/victims/victim_compensation)



requirements were attached to the ARRA funds. ARRA funds at AGO will be used for job creation and delivery of services, with no acquisitions (equipment, supplies) occurring. This negates the need for inclusion of certain requisite contract language required under ARRA.

The AGO conveyed that an internal audit function does exist within the agency and any potential for fraud, waste, or abuse will be minimized through quarterly report submission to the U.S. Department of Justice and monthly and semi-annual reports to the Mississippi Department of Finance and Administration. The AGO will use at least two individuals to prepare and review federal reports to ensure accuracy and compliance. Additionally, the AGO is already utilizing the new state-mandated ARRA accounting codes for all programs receiving ARRA funds.<sup>[2]</sup>

Public transparency will be done using the AGO website and press releases to various media outlets. The program directors and the AGO public information officer are responsible for ensuring that information regarding ARRA funds is communicated to the public. AGO personnel noted that the department has not been in contact with the Governor’s office and/or other state agencies to ensure that relevant information in regards to ARRA funds is being shared, but efforts will be made to establish those lines of intra-agency communications. AGO assured OSA staff they are working closely with its federal grantors to ensure that the requisite reporting of these two programs occur.

<b>MS Attorney General’s Office ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>Internet Crimes Against Children (cyber crime)</b>	<b>Existing</b>	<b>\$514,677</b>
<b>Victims of Crime Act/Victim’s Comp. Program</b>	<b>Existing</b>	<b>\$122,690</b>
<b>Total (all programs/all years)</b>		<b>\$637,367</b>

<sup>[2]</sup> OSA team confirmed use of appropriate accounting codes through Merlin Report dated June 23, 2009.



## MS Department of Agriculture & Commerce

- MDAC will receive \$19,630,514 in ARRA Funds
- New 2008 Aquaculture Feed Grant Program
- No administrative funds
- No new positions created at MDAC; Use existing staff to administer program
- Money will be for Feed Vouchers
- Will impact as many as 350 - 400 applicants
- Audits will include federal OIG and State Single Audit
- Website: [www.mdac.state.ms.us](http://www.mdac.state.ms.us)

A Performance Audit team from OSA conducted a pre-audit assessment of ARRA programs at the Mississippi Department of Agriculture and Commerce (MDAC) on June 10, 2009. MDAC staff present for the interview included the Deputy Commissioner, the Marketing Director, the Budget and Finance Director, the Purchasing Director, the Network Specialist, and the Lead Systems Administrator. The OSA interview centered on the one (1) new program created under ARRA. It is the 2008 Aquaculture Grant Program (AGP).

According to information provided by MDAC, a grant from the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) through the Commodity Credit Corporation will fund the State's program. MDAC will distribute the \$19,630,514 it will receive on a pro-rata basis to eligible aquaculture producers who suffered financial losses associated with high feed input costs during the 2008 calendar year. MDAC stated that Mississippi producer costs for feed increased as much as 100% in 2008. Through this program, MDAC will provide feed credit vouchers to suppliers on behalf of each aquaculture producer to offset current costs of feed for aquaculture producers. The provisions of the State program are annotated in a comprehensive work plan currently pending approval by the U.S. Department of Agriculture.

MDAC plans to use existing staff for the administration of this program. In fact, no administrative costs are included in this program. However, MDAC noted that job creation and retention may occur at the aquaculture producer and feed supplier levels as these entities would now be able to hire additional personnel to produce their products. All catfish farmers and other similar aquaculture producers will be eligible. Ocean or Gulf aquaculture businesses will not be eligible. MDAC expects they will receive 350-400 applications.

MDAC stated they comply with State law requiring certification of appropriate internal controls be sent to the MS Department of Finance and Administration.<sup>2</sup> Further, they have established an internal governance body to oversee/manage the disbursement of the ARRA funds. MDAC has sufficient numbers of personnel with sufficient qualifications to implement and oversee the ARRA funds. There is a team of three (3) people who will review all invoices and paper documents before MDAC makes a payment to a feed supplier on behalf of a producer. This same team will also monitor and track the disbursement of ARRA funds and submit required quarterly reports to the State and Federal government. The Director also noted that all requisite language under ARRA and applicable State laws would be added in their contracts with the feed suppliers. MDAC noted they do have an internal audit function within the agency and an internal compliance, financial, or performance audit would be conducted in the agency relative to the ARRA funds/ARRA program. Additional audits will include USDA Office of the Inspector General Audits as well as their Single Audit.

According to the Marketing Director, MDAC has facilitated similar programs in the past (three times) and the process is the same with the Aquaculture Feed Program as those previous programs. The work plan is the driver for the program and the plan outlines and defines each step in the program. MDAC will utilize all available avenues of advertisement once the program is finalized in order to maximize the impact of the grant program.

<sup>2</sup> MDAC noted that its certification letter was sent on June 10, 2009.



## MS Department of Education

- MDE has 8 ARRA Programs totaling \$573,604,422 for all years
- MDE will receive a significant portion of the \$392 million SFSF set aside for education.
  - A portion is also set aside for Community and Junior Colleges and Universities
- Existing internal controls will be used to oversee ARRA funds
- MDE will use existing external oversight procedures to monitor school districts' use of ARRA funds.
- Website: [www.mde.k12.ms.us](http://www.mde.k12.ms.us)

An OSA Performance Audit team conducted the pre-audit assessment of ARRA programs of the Mississippi Department of Education (MDE) on June 2, 2009. Ten upper management staff attended the meeting including the Chief Deputy Superintendent of Policy and Operations, the Associate Superintendent of Financial Management, the Chief Information Officer, the Director of Internal Accountability, Director of Accounting, and the Director of Special Education.<sup>3</sup>

In addition to the State Fiscal Stabilization Fund, the MDE has established two (2) new programs under ARRA. The Child Nutrition Equipment Grant Program is a sub program under the National School Lunch Program and the Qualified School Construction Bond Program is new. All of the other programs are expansions of existing federal programs.

MDE's Enhancing Education through Technology (E2T2) program will be the only program retaining 5% of ARRA funds for administrative costs. In addition, there will be no job retention or creation. MDE plans to use existing staff and plans to follow standard procedures found currently in the programs, but will modify record keeping as appropriate. Since the agency does not have sufficient amount of staff to handle ARRA funds, they plan to contract the monitoring work.

The intended use of the ARRA education funds is for the school districts, so MDE is serving as a conduit for those funds. To comply with the internal controls, the agency and the State's school districts will continue to use standard operating procedures already established. In addition, the agency has created small teams to oversee the management of the areas that will be receiving ARRA funds. Standard practices and the use of controls already in place will continue to serve as the primary methods for oversight of school districts' proper use of funds. Even though there will be no additional oversight or audit mechanisms created solely for ARRA funds, MDE will institute all the ARRA reporting requirements that are not currently in place at the agency. MDE plans to use regular procedures already in place to minimize and mitigate fraud, waste, and abuse of ARRA funds. The agency has already begun providing training opportunities and information to school districts to help them comply with ARRA requirements.

MDE is in the process of complying with State law requiring internal control certifications be sent to the Mississippi Department of Finance and Administration. They received an extension until June 30, 2009 (due date was June 1, 2009) and the document is undergoing an in-house review. They plan to comply with all State and federal reporting and auditing requirements as they are identified. MDE has already implemented the new State accounting codes associated with ARRA program reporting and accounting. However, at the time of the assessment interview, not all of the MDE's ARRA programs had finalized guidelines from the federal government.

Awarded contracts will be posted with all appropriate federal and State guidelines, on the MDE and DFA website. To ensure that the public is sufficiently informed, they will continue to communicate using their normal

<sup>3</sup> The Director of Budgeting and Planning, Director of Innovative Support, Deputy Director of Special Education, and Legislative Staff Officer also attended the meeting.



media outlets, such as their website, the Monday Memo, and other newsletters and notices sent to the school districts. The agency also sends ARRA updates to the LEAs on a regular basis by way of their Communication Office. MDE currently posts information about ARRA program funding on their website. In addition, they are developing a FAQ section on the ARRA web page for the school districts just in case they have any questions about ARRA funds. The agency is also requiring all school districts to inform parents and the community about the amounts and planned uses of the ARRA funds in each district. At the time of the interview, MDE was still awaiting guidance from the federal government regarding ARRA reporting requirements.

**MS Department of Education  
ARRA Funding by Program**

<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>State Fiscal Stabilization Fund (SFSF) – Education*</b>	<b>New</b>	<b>\$392,067,945*</b>
<b>Title I, Part A</b>	<b>Existing</b>	<b>\$132,679,000</b>
<b>McKinney Vento Homeless Assistance Act Title X, Part C</b>	<b>Existing</b>	<b>\$1,310,000</b>
<b>School Improvement Fund Section 1003</b>	<b>Existing</b>	<b>\$39,589,000</b>
<b>Individuals with Disabilities Act (IDEA) Part B</b>	<b>Existing</b>	<b>\$122,347,422</b>
<b>Individuals with Disabilities Act (IDEA) Part C</b>	<b>Existing</b>	<b>\$3,611,000</b>
<b>Title II – Part D</b>	<b>Existing</b>	<b>\$8,348,000</b>
<b>National School Lunch Program (Equipment grants)</b>	<b>New</b>	<b>\$1,720,000</b>
<b>Qualified School Construction Bonds</b>	<b>New</b>	<b>\$264,000,000</b>
<b>Total (all programs except SFSF, all years)</b>		<b>\$573,604,422</b>

*\*The total does not include the SFSF because some portion of those funds will be distributed to State Institutions of Higher Learning and the State Community and Junior Colleges; however, those amounts have yet to be finalized.*



## MS Department of Employment Security

- MDES has 5 major ARRA Programs
- MDES expects to receive at least \$48,297,776 for all programs
- MDES will retain at least 30 positions & may hire several time-limited personnel to aid in ARRA program administration.
- Mississippi is eligible to compete for Green Jobs Training Grants as well
- MDES is almost 100% federally funded
  - They also receive about \$2 million in fines and fees (1%)
- Website: [www.mdes.ms.gov](http://www.mdes.ms.gov)

OSA’s Performance Audit Team conducted an ARRA program evaluation interview with the Mississippi Department of Employment Security (MDES) on June 11, 2009. The OSA team met with the Executive Director, Deputy Executive Directors, Grants Management Officers, Comptroller, Chief of Technical Services, and others.<sup>4</sup> MDES will be receiving more than \$48 million for five (5) major programs all of which are expansions of existing programs under the federal Department of Labor. Mississippi is also eligible to compete for a portion of \$500 million from the Competitive Grants for Green Jobs Training. This program has five (5) sub-grant areas that all foster training and retraining groups of workers to get jobs in “green” industries and fields.

Although MDES is not 100% funded by the US Department of Labor, they receive no appropriations from the State. They do, however, receive approximately 1% (\$2.075 Million) from fines and penalties. As a federal agency, they have their own accounting system, but it does interface with the State’s accounting system. With the additional ARRA funds, MDES expects to retain 30 positions that will directly administer and oversee related program funds. Additionally, the agency may hire additional time-limited or contract employees to enhance the administration and oversight of these programs. MDES plans to cross-train other employees to add additional employee oversight and administration functions. Currently, MDES believes they have a sufficient number of qualified personnel to manage and oversee ARRA funds.

With funding from ARRA in existing programs, there will be no new divisions established. The Workforce Investment Act (WIA) and the Wagner-Peyser programs have specific guidelines MDES must follow in order to receive ARRA funds.

MDES reviewed prior audits and submitted its internal controls review certification letter to the Department of Finance and Administration in June 2009. They were able to identify certain areas where internal controls were needed and/or strengthening and have since begun correcting those areas. MDES also stated they have established a task force that meets regularly to coordinate and manage ARRA program funds. The MDES staff participates in online ethics training and encourages employees to report any unethical behavior. Additionally, MDES has an EEOC officer on staff.

The WIA fund monitoring and auditing for MDES is performed by an independent CPA firm. MDES plans to use the same mechanism for ARRA monitoring and auditing. In addition to the independent firm, they use their Officer of Comptroller, Safety and Security to assist in the reduction of fraud, waste, and abuse. They also noted that the agency has a plan of action in place to prevent fraud and waste as well. They also use internal control guidelines established by the Department of Finance and Administration.

Outside communication with the public will work using all available media outlets, the MDES website, and the Governor’s office. All notices of requests for proposals, grants, awards, etc., will be appropriately posted on the MDES website, the Governor’s Stimulus website, and other relevant federal and State

<sup>4</sup> The Director of Public Information, Director of Human Capital, Director of Customer Operations, Director of Business Management, and the Assistant to the Deputy Director were also in attendance.



web sites. The MDES will make every effort to comply with all federal and State laws and guidelines as they relate to ARRA. Standard bid notices will continue to be posted in newspapers. Training opportunities hosted by MDES are also noticed in numerous ways, including newspapers, press releases, website advertisements, and other notification processes normally used by the agency.

<b>MS Department of Employment Security ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>Workforce Investment Act (WIA) – Adult</b>	<b>Existing</b>	<b>\$7,772,797</b>
<b>Workforce Investment Act (WIA) – Youth</b>	<b>Existing</b>	<b>\$18,687,021</b>
<b>Workforce Investment Act (WIA) – Dislocated Worker</b>	<b>Existing</b>	<b>\$14,210,277</b>
<b>Wagner-Peyser Employment Service Act</b>	<b>Existing</b>	<b>\$3,617,920</b>
<b>Unemployment Insurance Program</b>	<b>Existing</b>	
<b>Administrative Funding</b>	<b>Existing</b>	<b>\$4,009,761</b>
<b>Total (all programs, all years)</b>		<b>\$48,297,776</b>



## MS Department of Environmental Quality

- **MDEQ has 4 major ARRA Programs**

- Clean Water SRF
- Water Quality Management
- Air Quality Program
- Leaking Underground Storage Tank Program

- **Initial MDEQ ARRA funds total \$40.43 million**

- **Website:**  
[www.mdeq.state.ms.us](http://www.mdeq.state.ms.us)

On May 21, 2009, a Performance Audit team met with key personnel at the Mississippi Department of Environmental Quality (MDEQ) to conduct a preliminary assessment of the agencies plans and controls of ARRA program funding. Four (4) existing U.S. Environmental Protection Agency (EPA) programs at DEQ will see a total increase in funding of \$40.43 million. A number of other ARRA related programs for which MDEQ may apply include additional Air Quality competitive grants.

The Clean Water State Revolving Loan Fund (CWSRF) provides low interest loans to public entities for construction, repair, and improvement of sewer treatment facilities. Any construction projects using ARRA funds must have the funds under contract or construction by February 17, 2010. The Water Quality Management Planning Program funds are for short-term contracts to improve the infrastructure of the Surface Water Program. EPA has allotted two and a half years to expend the ARRA funds. The Air Quality Program funds under ARRA are to retrofit diesel school buses to lessen pollution emissions. Finally, the Leaking Underground Storage Tank Program funds are to be used to oversee the assessment and cleanup of leaks from underground storage tanks or for directly paying for assessment and cleanup of leaks from federally regulated tanks where the cleanup is an emergency or the responsible party is unknown, unwilling or unable to finance the cleanup.

According to MDEQ, new positions may be created within departments utilizing ARRA funds; however, while some funds will be set aside for administrative costs, at least 80% of funds will ultimately pass through local governments and go to vendors for equipment and parts for grantees to make infrastructure repairs and upgrades. Any new positions would be in the form of time-limited or contract employees who would conduct intra-agency monitoring of ARRA program funds to ensure accurate and timely reporting to the State and federal government. No new job descriptions or job titles have been established for these positions. MDEQ will comply with any EPA job reporting requirements and require all grant recipients and contractors to comply as well.

MDEQ is in the process of finalizing its internal control plan for submission to the Department of Finance and Administration (DFA). An initial assessment has been completed and a Certification Letter has been tendered to DFA. An independent consulting firm is assisting MDEQ with the preparation of their final internal control plan. Staff noted that MDEQ has begun creating an internal audit function. The Office of Pollution Control will administer the ARRA programs because all ARRA programs are housed in that division. They will have first line responsibility in managing the ARRA funds. The MDEQ Office of Administrative Services will conduct fiscal oversight and overall governance. Other types of risk controls will include on-site monitoring, quarterly reporting, audits, etc.

Relative to acquisitions for products and services, MDEQ stated that all its contracts and requests for proposals contained the necessary language to satisfy the ARRA requirements. MDEQ has sent out mailers to all potential (CWSRF) recipients (counties, municipalities, and others) regarding the expansion of services/projects now available via the ARRA funds. This information is also available on the agency's website. From the assessment, OSA learned that



MDEQ would utilize private sector vendors for most of its ARRA programs. Contracts with these vendors will comply with State statutes and ARRA regulations. MDEQ’s staff also noted that on April 30, 2009 they participated in webcast training by the EPA. The training was primarily for the CWSRF program, but the concepts were applicable to the other ARRA programs and to agency programs generally. MDEQ will add the training concepts to their internal control plan to strengthen internal controls and reduce fraud, waste, and abuse.

EPA Office of Inspector General Agents met with MDEQ agency program managers and Office of Administrative Services staff on May 5, 2009 and discussed the detection of waste, fraud, and abuse of ARRA funds.

MDEQ has completed the transition to the new ARRA accounting codes for all programs receiving ARRA funds so there will be segregated accounting of the additional funds within existing programs. To ensure they are in compliance with State and federal regulations, MDEQ will utilize standard reporting mechanisms and will make additional reports to the State and federal government as necessary to comply with ARRA as well. Currently, quarterly reports are generated from the progress reports of the various projects, from the work orders, work plans, and invoices.

Information of ARRA related MDEQ activities are noticed on the agency website and relevant notices will be posted to other related websites.

<b>MS Department of Environmental Quality ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>Clean Water State Revolving Fund (CWSRF)</b>	<b>Existing</b>	<b>\$35,300,000</b>
<b>Water Quality Management Planning</b>	<b>Existing</b>	<b>\$350,000</b>
<b>Air Quality Program</b>	<b>Existing</b>	<b>\$1,700,000</b>
<b>Leaking Underground Storage Tank Removal</b>	<b>Existing</b>	<b>\$3,080,000</b>
<b>Total (all programs, all years)</b>		<b>\$40,430,000</b>
<b>*Program Information gathered from MDEQ’s website.</b>		



## MS Department of Health

- **MDoH has 5 major ARRA Programs**

- Early Intervention
- Immunization
- Epidemiology
- WIC
- Drinking Water SRF

- **Initial MDoH ARRA funds total \$29.32 million**

- **Jobs created: 21 (time-limited)**

- **Website:**  
[www.msdh.state.ms.us](http://www.msdh.state.ms.us)

An OSA Performance Audit team interviewed staff from the Mississippi Department of Health (MDoH) on June 10, 2009, regarding ARRA funding for new and existing programs. Numerous executive level staff met with OSA including, the Internal Auditor, Directors of Financial Management, Communicable Diseases, Health Services, WIC, Human Resources, Drinking Water SRF program, and others to answer interview questions to various programs that will receive expanded funding.

The MDoH will not be establishing any new programs, but will extend services on five (5) existing programs. They are The Early Intervention Program; Immunization Program; the Epidemiology Program; the Women, Infant, and Children (WIC) Supplemental Nutrition Program; and the State Drinking Water Revolving Loan Fund Program (DWSRF).

With funding from ARRA, the MDoH is now able to expand services in all of these programs including grants to local governments and other entities, additional assistance to individuals, and more. For additional clarification, the DWSRF makes loans and not grants to local governments. However, any loans made this year with ARRA funds will have an element of principal forgiveness. The agency plans to expand contractual services in the following areas by hiring additional time-limited staff: Early Intervention (2), Immunization (14), and Drinking Water SRF (3). MDoH also anticipates hiring two (2) contractual staff in Epidemiology. WIC does not plan to expand their staff at this time, but maybe in the future. As a whole, the agency does not plan to fill any open positions it has available within these programs.

MDoH submitted its Internal Control Plan to the Department of Finance and Administration (DFA) on June 1, 2009. Currently, the agency is not developing any new procedures for their expanded programs other than those required by the State and federal government for accounting, reporting, awards, etc. They have already converted accounting codes to those established for ARRA by DFA. They will continue to utilize existing policies, procedures, and controls to minimize fraud, waste, and abuse.

MDoH will use a limited amount of ARRA funds for administrative oversight of the expanded programs and the Drinking Water SRF may include some equipment purchases. However, MDoH staff stated that the agency has strong internal controls in place to ensure appropriate expenditures and accurate accounting and reporting. Prior to submitting their Internal Control Plan, MDoH reviewed prior audits and findings and have constructed plans that will further strengthen internal control.

The agency stated that they already receive Federal funding and/or grants and have experience handling federal funding. They plan to use standard operating procedures already set in place. Only the Drinking Water SRF program is still waiting on some guidance from the federal government. MDoH has established a management team consisting of relevant department heads and upper management. The agency believes it has identified qualified personnel to handle ARRA funds and has a sufficient level of experience to manage the receipt of ARRA funds.



In order to facilitate transparency with the public, MDoH will post information to the agency and the State stimulus websites. In addition, they will make public notices for grant opportunities as required by law.

<b>MS Department of Health ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>Early Intervention</b>	<b>Existing</b>	<b>\$4,380,944</b>
<b>Immunization (Competitive Grant Request)</b>	<b>Existing</b>	
<b>Supplemental Funding</b>		<b>\$856,710</b>
<b>Educational Training for Nurses Regarding Immunization</b>		<b>\$300,000</b>
<b>Epidemiology (Competitive Grant Request)</b>	<b>Existing</b>	
<b>Hospital Associated Infection Grant</b>		<b>\$891,616</b>
<b>Meningococcal</b>		<b>\$101,440</b>
<b>Women, Infants, and Children’s Nutrition Program (WIC)</b>	<b>Existing</b>	<b>\$3,286,846</b>
<b>State Drinking Water Revolving Loan Fund (SDWA)</b>	<b>Existing</b>	<b>\$19,500,000</b>
<b>Total (all programs/all years)</b>		<b>\$29,317,556</b>



## MS Department of Human Services

The OSA Performance Audit team conducted its preliminary ARRA program evaluation at the Mississippi Department of Human Services (MDHS) on June 1, 2009. In addition to the Executive Director, other attendees included a number of Division Directors, the Human Resources Director, the Director of Budgets and Accounting, and numerous others assisted OSA in understanding the plans for ARRA funds at MDHS.

According to the MDHS officials, the Supplemental Nutrition Assistance Program (SNAP) in the Economic Assistance Division will receive approximately \$660 million over a five (5) year period and would increase benefits for those families already in the program. The Weatherization Program in the Community Services Division will receive \$49 million in ARRA funds, which must be expended by September 30, 2011. The Weatherization Program currently receives about \$3 million a year. MDHS estimates that ARRA funds will allow the weatherization program to assist an additional 5,000 households.

The Childcare Program will receive \$30 million in ARRA funds. This increase will alleviate a waiting list of some 6,000 to 7,000 children. These funds would have to be expended over a period of three years. The Community Services Block Grant Program will receive approximately \$15.9 million in ARRA funds, an increase of about \$6 million from its annual allocation. The Family and Children Services Division will receive ARRA funds for adoptions and foster care but no dollar amount could be given at the time of this assessment. However, MDHS estimated a 6.65% increase of funds. They noted that a number of divisions in MDHS have already received their ARRA funds, and the agency is moving forward according to its standard operating procedures in the expenditure and disbursement of these funds.

In the area of job creation/job retention, MDHS noted they expect to hire 11 to 12 individuals utilizing the ARRA funds. The agency has already created new, time-limited position PINS, which coincide the expiration dates of the various ARRA funds. The jobs to be created consist of one (1) overall director for the Weatherization Program; six (6) monitoring jobs for the six regions in MDHS; one (1) accounting job; two (2) additional jobs in Program Integrity; and one to two additional assistants in the state office. No jobs will be retained due to ARRA funding.

The Department of Finance and Administration granted MDHS an extension until July 1, 2009, to submit its Internal Control Plan to the Department of Finance and Administration and the plan and all contents were accepted by DFA. MDHS hired a consultant to create their internal control plan and they expect to have it submitted before the new deadline. The agency has a core group of employees who meet weekly to discuss any monitoring and reporting aspects that the federal agencies may require of MDHS. However, no internal group monitors just the ARRA funds. The agency's personnel did express that there are qualified, capable, and knowledgeable personnel on hand to facilitate any ARRA regulations and that such monitoring and oversight is standard operational procedure for MDHS. They also conveyed that the requisite language and federal requirements were a part of the agency's requests for proposals, individual requests for proposals, and contracts. There has been no ethics training

- **MDHS has 5 major ARRA Programs**
  - SNAP
  - Weatherization
  - Childcare Assistance
  - Community Services Block Grant
  - Family and Children Services Division (adoption & foster care)
  
- **Initial MDHS ARRA funds total \$754,900,000**
  
- **Jobs Created: 11 to 12 (time-limited )**
  
- **Website:**  
[www.mdhs.state.ms.us](http://www.mdhs.state.ms.us)



specifically related to ARRA funds, but the Attorney General’s Office has conducted some ethics training for MDHS.

MDHS plans to post all ARRA related information including grant and contract information to its website and the State Stimulus website at a minimum. MDHS plans to mitigate grant and contract delays and cost overruns through daily monitoring of the various grants and programs as well as tracking the various ARRA funds through the new accounting codes established by DFA. Accounting mechanisms are in place to track ARRA funds that would be used for travel and other activities.

MDHS has an internal audit division and an internal control division. The two divisions will be responsible for auditing ARRA funds. The agency recently hired a CPA to head up the Internal Control Division and the director main focuses is to assist the agency’s ARRA coordinator with monitoring ARRA funding. The explanation given was that the division is understaffed and cannot take on any additional duties. The agency has identified and contacted all its sub-recipients and potential sub-recipients and informed them of the various ARRA regulations and provisions. MDHS noted that the federal agencies have not sent them any new requirements related to their ARRA funds. Therefore, MDHS will use ARRA funds as it does with its annual allotments within various programs requirements.

MDHS asserted that it has a financial tracking system in place to collect the required data from the sub-recipients on a monthly basis, and two divisions review all cost reimbursements before the agency makes a payment. There is no cost sharing in the various programs. MDHS conveyed they would communicate with and inform the public of ARRA related activities through pamphlets, brochures, websites, and press releases. They post all ARRA information on the MDHS website. The use of a press release template ensures that the same information is disseminated to all media outlets because MDHS has offices in all 82 counties. MDHS has adequate contact with the Governor’s office and they have in place the necessary reporting mechanics of its ARRA funds.

<b>MS Department of Human Services ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
Supplemental Nutrition Assistance Program (5 yrs)	Existing	\$660,000,000
Weatherization Program	Existing	\$ 49,000,000
Childcare Assistance Program	Existing	\$ 30,000,000
Community Services Block Grant	Existing	\$ 15,900,000
Family and Children Services Division (FMAP only)	Existing	6.65% increase from 2008
<b>Total (not including Family Services)</b>		<b>\$754,900,000</b>



## MS Department of Medicaid

- FMAP increased from 76% to 84% from last year
- State match needed has been reduced
- DOM has an additional 22,000 people eligible for services
- Initial DOM ARRA funds total \$724 million
- Website: [www.medicaid.ms.gov](http://www.medicaid.ms.gov)

OSA conducted a pre-audit assessment of the Mississippi Department of Medicaid (DOM) on June 15, 2009. As provided in DOM's State plan, the additional ARRA funding will go directly to medical service payments only (available on the agency website). ARRA funding is not used for administrative expenditures. The present federal medical assistance percentage (FMAP) is 84.24% (effective April 1, 2009) compared to 76.29% FMAP a year ago. ARRA funding took effect October 1, 2008, at which time DOM received an enhanced FMAP of 83.62%. The enhanced FMAP reduces the state's match for medical services to the needy, while increasing the federal dollar amount for such medical services.

DOM noted that some competitive grants might be available in the near future in the form of Health Information Technology Grants. DOM stated they would apply for such grants once the federal government makes an announcement and plans on following all federal guidelines established under the grant. DOM estimates \$724,000,000 in ARRA Medicaid funds. This estimate is for a 27-month period starting October 1, 2008 and ending December 31, 2010. In addition, several other estimated items were included for medical service claims for all Medicaid beneficiaries for 20 future months, as well as an estimated quarterly ARRA FMAP. It is not yet determined if Mississippi DOM will be eligible for the third tier of ARRA unemployment factor. The federal agency calculates the unemployment factor each quarter period. The recalculated ARRA FMAP relayed to states each quarter affects the estimate in ARRA funds to be received.

Since the enactment of the ARRA, the DOM has seen an increase in the number of persons who are eligible to receive the Medicaid services. At the time of the assessment, approximately 22,000 additional people were then eligible for the services. The DOM staff relayed that no new jobs would be created and no jobs retained within the agency utilizing the ARRA funds. Because Medicaid's ARRA funding is strictly for medical services, none of the funds could be used for acquisitions or travel.

With regard to the internal controls/risk mitigation mechanisms, the agency has submitted its certification letter to DFA concerning its receipt of ARRA funds. DOM uses the required new accounting codes established by DFA to identify both the receipt and the disbursement of ARRA funds. On a regular basis, DOM also provides required data to the GAO. In the area of human capital, DOM conveyed there is an established governance body within the agency to oversee/manage the overall implementation of the ARRA funds. In addition, the Office of Financial Administration routinely meets with executive staff to discuss ARRA issues as well. Agency's staff stated they believe DOM has a sufficient number of qualified and experienced personnel to manage the additional federal funds from ARRA. This includes seven (7) CPA's among a staff of 924 employees who oversee a \$4 billion budget.

During the interview, DOM attendees noted there would be no special ethics class/training held related to ARRA funding because no changes in policy or programs are required by ARRA. However, the agency does have an ethics section in its employee manual, as well as, a non-mandatory ethics class offered for any employee. As a requirement of the State Board of Public Accountancy, DOM's eight (8) CPAs are required to take mandatory ethics classes to retain their license.

DOM stated their internal audit position is vacant, but the agency does have many internal audit functions in place. The agency has three bureaus with 75 employees designated for audits of medical expenditures and large contracts (which make up an additional 2% of DOM's budget). Agency personnel also noted that the federal granting agency, Center for Medicaid and Medicare Services in the U.S. Department of Health, requires certain coding of the accounts that were to receive ARRA funds, which they are using as well. There is also certain data collection elements i.e. eligibility counts and program counts that the U.S. Governmental Accounting Office is requiring of DOM. Medicaid uses its website as a primary source of communication with the public related to ARRA program funds. Additionally, State specific ARRA information is available on many federal websites. Other necessary reporting mechanics as required by ARRA are in place at the agency, and a review and approval process for all ARRA funds is in place.



### MS Department of Public Safety

OSA’s performance audit division conducted a pre-audit assessment of the Mississippi Department of Public Safety (DPS) on June 18, 2009. The DPS will not be establishing any new programs, but will extend services on three (3) existing programs in the Office of Justice Programs (OJP). These programs are the Edward Byrne Memorial State and Local Law Enforcement Assistance Program Justice Assistance Grant (JAG), Victims of Crime Act Program (VOCA), and Violence Against Women Act (VAWA).

The JAG program, which will receive \$11.1 million, allows states, tribes, and local governments to support a broad range of activities to prevent and control crime based on local needs, conditions and flexibility to prioritize funds where most needed. The program, in conjunction with the Governor’s office, will have 20 program areas competitive and non-competitive RFPs that will go through a peer review, which will provide recommendations. JAG will also offer 10 non-competitive grants to state agencies they have previously worked with, such as the Bureau of Narcotics, the Crime Lab, and the law enforcement-training program.

VOCA, which will receive \$694,000, provides funding for programs that deliver direct services, such as crisis intervention services, emergency services, support services, and court related services, to victims of crime. The program will offer one (1) non-competitive grant for training and numerous competitive grants for new contracts.

VAWA, which will receive \$1.6 million, promotes a coordinated, multidisciplinary approach to improving the criminal justice system’s response to violent crimes against women. It encourages the development and strengthening of effective law enforcement, and prosecution strategies, and victim services. VAWA will offer competitive grants focusing on geographical areas not typically funded.

DPS does plan to create two (2) new contract positions for their accounting division to assist with the additional workload associated with receiving ARRA funds. In addition, JAG, VOCA, and VAWA will also created five (5), two (2), and two (2) contract positions, respectively.

Because DPS has hired a CPA firm to perform their internal controls evaluation, they have been given an extension by Department of Finance and Administration to submit their annual internal controls certification. DPS assured OSA that all priors audits have been reviewed for deficiencies and that the transition to the new ARRA funding codes has been done. DPS stated that all awards would be posted in newsletters and legal notices, as well as to both federal and State websites.

• **DPS has 3 major ARRA Programs**

- JAG
- VOCA
- VAWA

• **Initial DPS ARRA funds total \$13.5 million**

• **Jobs created: 11 (time-limited)**

• **Website:**  
[www.dps.state.ms.us](http://www.dps.state.ms.us)

<b>MS Department of Public Safety ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>Edward Byrne Memorial State and Local Law Enforcement Assistance Program Justice Assistance Grant (JAG)</b>	<b>Existing</b>	<b>\$11,199,359</b>
<b>Victims of Crime Act Program (VOCA)</b>	<b>Existing</b>	<b>\$694,000</b>
<b>Violence Against Women Act (VAWA)</b>	<b>Existing</b>	<b>\$1,622,147</b>
<b>Total (all programs, all years)</b>		<b>\$13,515,506</b>



## MS Department of Rehabilitation Services

- MDRS has 3 major ARRA Programs
  - State Vocational Rehabilitation
  - Independent Living
  - Services to Older Americans Who are Blind

- Initial MDRS ARRA funds total \$7.7 million

- No jobs created or retained at MDRS

- Website: [www.mdrs.state.ms.us](http://www.mdrs.state.ms.us)

A pre-audit assessment of the Mississippi Department of Rehabilitative Services (MDRS) was conducted by OSA’s Performance Audit Division on July 7, 2009. MDRS has three (3) existing programs that will receive ARRA funds. These programs include the State Vocational Rehabilitation Program, the Independent Living Program, and the Services to Older Americans Who Are Blind Program. MDRS stated that no new jobs would be created in any of these programs. The State Vocational Rehabilitation Program is receiving \$7.2 million dollars to provide services to assist eligible individuals in overcoming the limitations imposed by physical or mental disabilities while maximizing their potential for employment.

The Independent Living Program, which will receive \$331,000, assists individuals with the most severe disabilities to become more independent in their home or communities. This program provides necessary services, such as home modifications, vehicle modification, and durable medical equipment.

The Services to Older Americans Who Are Blind Program specializes in working with blind and low vision impaired individuals to optimize their opportunities for inclusion into the workforce, community, and home. Services provided for blind or visually impaired individuals include, but are not limited to orientation and mobility; meal planning and preparation; computer instruction; communications; recreation and physical conditioning; independent living services for persons who are blind; deaf-blind services; and vocational rehabilitation counseling. This program is receiving \$206,000 in ARRA funds.

MDRS officials stated they have submitted the annual certification letter regarding internal controls to the Department of Finance and Administration. The agency has also completed the transition to the new ARRA accounting codes for all program areas receiving ARRA funds, as well as put all reporting mechanisms in place. Although, there is no established governance body within the agency to oversee or manage the overall implementation of the ARRA funds, a sufficient number of qualified personnel have been identified within the agency to implement and oversee the ARRA funds. MDRS stated any property purchases made with ARRA funds will undergo additional review/scrutiny prior to approval, and such purchases would be in the form of vans and computer equipment.

MDRS informed OSA there is an internal audit function present within the agency, and the internal auditor will perform quarterly audits of the programs receiving ARRA funds. During the assessment, MDRS noted they have established, via their website, communication with the public regarding the award and use of ARRA funds.

### MS Department of Rehabilitative Services ARRA Funding by Program

Program Name	New or Existing Program	ARRA Funds (all years)
State Vocational Rehabilitation Program	Existing	\$7,200,000
Independent Living Program, and the Services	Existing	\$ 331,000
Older Americans Who Are Blind Program	Existing	\$ 206,000
<b>Total (all programs/all years)</b>		<b>\$7,737,000</b>



## MS Department of Transportation

- MDOT has \$371 million for its Highway Construction Program and the Public Transit Program

- No jobs created or retained at MDOT

- Job creation and retention will be seen at the sub recipient level

- Website: [www.gomdot.com](http://www.gomdot.com)

The pre-audit assessment of the Mississippi Department of Transportation (MDOT) was held on July 21, 2009 at MDOT offices. OSA met with several executive level staff including the Financial Director, Deputy Executive Director, Audit Director, and Procurement Director. MDOT will not be establishing any new programs, but expanding services for two (2) existing programs under ARRA. The agency will be receiving \$371 million for Highway Construction Program and the Public Transit Program. It was also stated that both programs have clear mission statements with sufficiently qualified staff already in place.

According to the MDOT officials, no new jobs would be created or retained within the agency as a result of the ARRA funds. However, in the Public Transit Program jobs are forecasted at two-levels: the sub-recipient level including additional drivers and maintenance facility personnel and at the vendor level including the manufacturing of buses, vans, etc. that will be purchased. In the Highway Construction Program, jobs are forecast in the construction companies and the various consultant companies that will be hired.

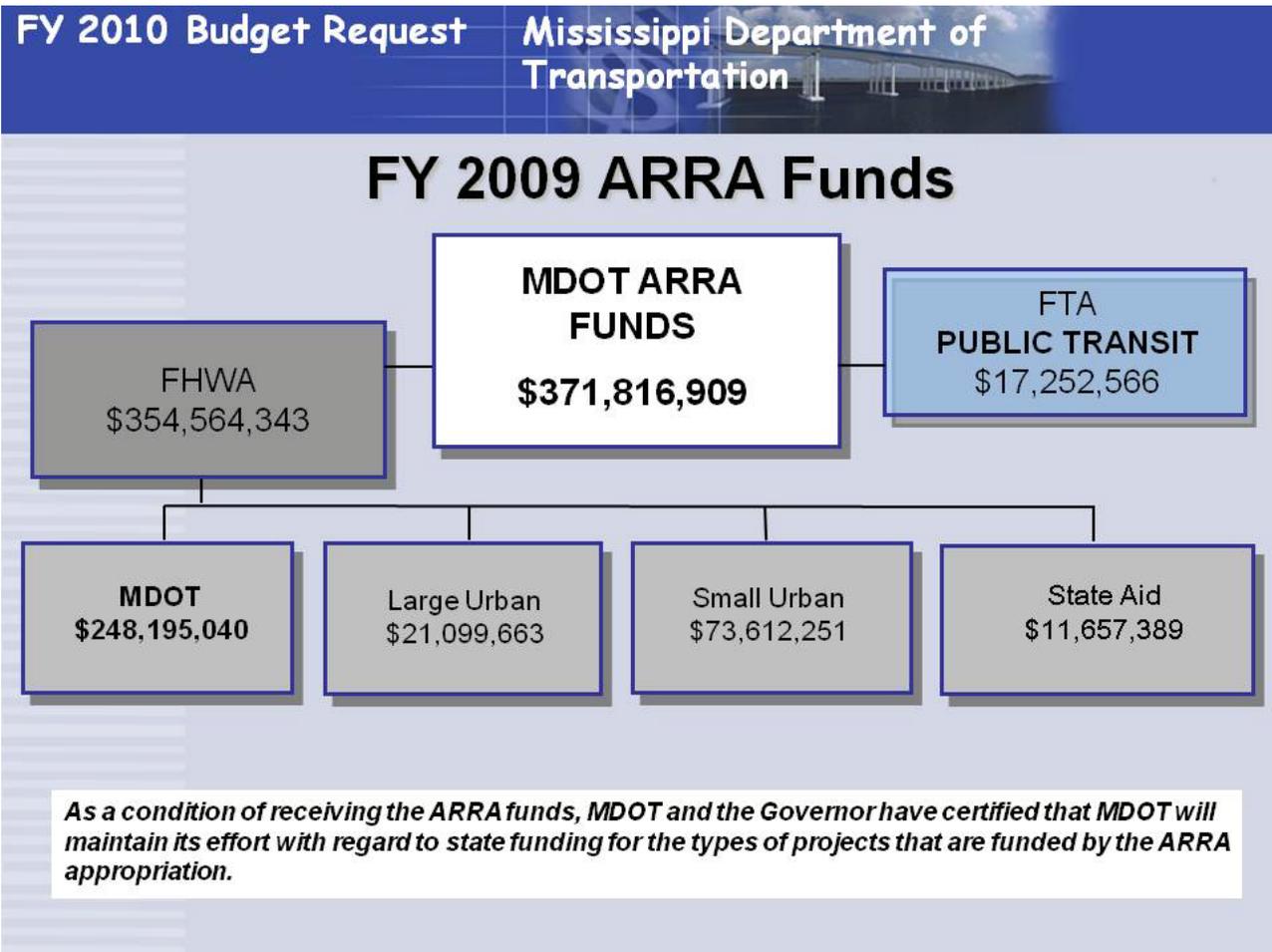
Relative to the various internal control mechanisms in place, MDOT conveyed they had submitted their ARRA certification letter to Department of Finance and Administration and will submit other certifications and documentation to DFA as required and according to agreed timelines with DFA. MDOT has identified the personnel who will oversee and manage the ARRA funds. Such personnel include the Director of Public Transit Director, Assistant Chief of Engineering, Financial Director, Audit Director, Procurement Director, and the Contract Administration Engineer. These individuals are experienced and licensed professionals who are equipped with the knowledge and expertise of managing the ARRA funds. The agency communicated that ethics training related to the ARRA programs has gone forth although none of the federal program guidance required such training. In addition, ethics training is an annual requirement for their engineers' professional licensure. MDOT is planning a workshop for the Public Transit Program that encompasses regional training on fraud, waste, and abuse in the program.

In the receipt of ARRA funds, MDOT conveyed that all of its requests for proposals and subsequent contracts would have the requisite language of "Buy American" and the Davis-Bacon Act to satisfy the requirements of the ARRA. According to the MDOT officials, all requests for proposals, contracts, and cooperative agreements will be available for public viewing via the Department of Finance and Administration portal as well as on the agency's website. MDOT will closely monitor all ARRA activities especially where the sub-recipients (counties, cities, and towns) are concerned to ensure that the projects funded under ARRA avoid unnecessary delays and cost overruns. These efforts are being launched because all of the ARRA funds have to be obligated by February 17, 2010. An internal audit division is in place in the agency and that division will perform periodic compliance audits.

MDOT is working closely with sub-recipients to provide them with requisite conditions and guidance regarding the ARRA funds. Consultants will be hired to aid in this dissemination of information and to assist in the various reporting requirements that are mandated under ARRA.



MS Department of Transportation ARRA Funding by Program		
Program Name	New/Existing Program	ARRA Funds (all years)
Highway Construction Program* *four sub-programs	Existing	\$354,564,343
Public Transit Program	Existing	\$ 17,252,566
Total (all programs/all years)		\$371,816,909



*\*The chart above was provided by the Mississippi Department of Transportation*



## MS Development Authority

- MDA has 4 major ARRA Programs
  - Homeless Prevention and Rapid Re-Housing Program (HPRP)
  - Energy Efficiency Block Grant
  - Community Development Block Grant
  - State Energy Program
- Initial MDA ARRA funds total \$71.3 million
- Job Creation
  - 1 new employees as of June 1
  - Additional staff as needed
- Website:  
[www.mississippi.org](http://www.mississippi.org)

A pre-audit assessment of the Mississippi Development Authority (MDA) was conducted on May 28, 2009. In attendance at this meeting was the Human Resources Director, Deputy Director, Deputy Director of Accounting and Finance, Director of the Energy Division and many more executive level staff. According to the MDA officials, ARRA will create two new programs, the Homeless Prevention and Rapid Re-Housing Program (HPRP) and the Energy Efficiency and Conservation Block Grant Program (EECBG) and will expand funding for other existing programs. The structure of HPRP is similar to the current Emergency Shelter Grants and provides financial assistance, housing relocation, and housing stabilization services to the homeless population in the State. It will receive approximately \$13.3 million. The HPRP requires the funds to be obligated to grantees by September 2009, and 60% of the funds must be expended within two years or actions may then proceed to recapture the unused HPRP funds and reallocate them to another grantee. In addition, EECBG program will receive approximately \$9.6 million under ARRA for the MDA Energy Division. Another \$7.3 million in EECBG funds were allocated directly from the Department of Energy to the 10 largest cities and the 10 largest counties in the State.

MDA will receive an additional \$8 million in its Community Development Block Grant Program. The State Energy Program (SEP) will receive approximately \$40.4 million.

Despite there not being any definitive guidance on job creation/retention, MDA stated it would hire one (1) employee as of June 1, whose sole responsibility will be to oversee the ARRA funds. Additional staff will be hired by MDA as needed to monitor the ARRA funds. Relative to the internal controls/risk mitigation mechanisms in place at MDA, the agency stated they had submitted their certification letter to the Department of Finance and Administration and that adequate internal controls are in place. The agency conveyed to OSA that they intend to comply with the new ARRA required accounting codes for all programs receiving ARRA funds. The stimulus coordinator and all senior staff administering ARRA programs will report periodically to the Deputy Director. However, the agency does not have an internal audit division, but has identified qualified personnel to implement and oversee the ARRA funding.

In the area of acquisitions, it was conveyed that all of the agency's requests for proposals and contracts would contain the requisite language to satisfy the ARRA requirements. In fact, all of MDA contracts, sub-grants, and loans relative to the ARRA funds will comply with the State and federal regulations that pertain to each activity. MDA conveyed that they anticipate minimum equipment purchases for MDA with ARRA funds, but sub-recipients may purchase equipment on an as needed basis. Such purchases by the sub-recipients will be reported to MDA as part of the sub-recipient's grant oversight. All sub-recipients of ARRA funds will be briefed on all regulatory and reporting requirements associated with ARRA funds and will be required to report necessary information to MDA.

In the areas of communications and reporting, it was noted that the agency has an established outlet for two-way communication with the public regarding



the ARRA awards and funding. MDA is in constant contact with the Governor’s office and other State agencies relative to sharing ARRA information with the public as well as all other levels of government. MDA has a reporting mechanism in place to facilitate and rectify any issues that may arise regarding the ARRA funds.

<b>MS Development Authority ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>Homeless Prevention Program</b>	<b>New</b>	<b>\$13,300,000</b>
<b>Energy Efficiency Block Grant Program</b>	<b>Existing</b>	<b>\$ 9,600,000</b>
<b>Community Development Block Grant</b>	<b>Existing</b>	<b>\$ 8,000,000</b>
<b>State Energy Program</b>	<b>Existing</b>	<b>\$ 40,418,000</b>
<b>Total (all programs, all years)</b>		<b>\$71,318,000</b>



## MS Forestry Commission

• **MFC has 2 major ARRA Programs**

- **Forest Health Eradication Invasive Species**
- **MS Hazardous Fuel Reduction**

• **Initial MFC ARRA funds total \$1.9 million**

- **Job Creation:**
- **4 contract positions for ARRA oversight**
  - **14 contracted two-person crews (total of 28)**
  - **3 supervising positions**

- **Website:**  
[www.mfc.state.ms.us](http://www.mfc.state.ms.us)

A pre-audit assessment of the Mississippi Forestry Commission (MFC) was conducted on July 21, 2009. OSA met with the Grant Coordinator, Director of Financial Services, and the Business Support Manager. The MFC will not be establishing any new programs or filling any current vacancies, but will be extending services on existing programs. The Forest Health Eradication Invasive Species Program will be receiving \$1.167 million under ARRA. The MS Hazardous Fuel Reduction will receive \$763,000. The MFC will be using existing program mission statements, job descriptions, and program procedures.

Under the Invasive Species Program, MFC plans to hire four (4) contract employees generally for ARRA oversight and 14 contracted two-person crews (a total of 28) to spray invasive tracts. Additionally, the Hazard Mitigation Program is expecting to gain three (3) supervising positions to manage ARRA funds. During the interview, it was undetermined if there will be additional positions established under the Hazard Mitigation Program. In regards to internal controls, the agency has submitted their certification letter and there were no material weakness noted.

The agency has established a task force they refer to as the leadership team that meets weekly to discuss, implement, and oversee the management of ARRA funds. After each meeting, the team sends out communication to appropriate personnel detailing the issues and resolutions that were discussed. Project managers have the assigned duty to insure ARRA objectives and deliverables are being met. All problems that arise are addressed by the lead team and at the program level.

MFC is confident they have a sufficient level of experienced personnel to handle the funds received from ARRA. Agency staff told OSA that the level of oversight would depend greatly on the number of contract personnel established within the agency. At this time, MFC has conducted no ethics training specifically related to ARRA. The agency does plan to issue RFPs to hire independent contractors for fieldwork projects. The agency assured OSA that these contracts would contain the necessary language as it relates to ARRA funds. Once contracts are awarded, the agency will post all award information to their website. In regards to transparency requirements, the agency plans to follow ARRA requirements. Further, they are creating a portal for two-way communication. The public benefits of funds will be reported in a clear, accurate, and timely manner. The agency stated they had a good public information division that keeps the public inform on forestry issues. In addition, the agency also attends area forestry association meetings to gain insight on any concerns and address any issues that may arise.

The agency does plan to purchase some inventory, but this will be based on the need as stated by the program/division director. They will use normal controls already in place to monitor purchases. Additional controls will be put into place if the program/division director sees fit.

The agency does not have an internal audit division, but they do have several levels of review for all of their programs. Policies, procedures, and many levels of checks and balances are in place to monitor and prevent fraudulent activities. These same provisions will be used to oversee ARRA funds. MFC requires monthly reporting and use existing oversight functions already in place. They



have reviewed all prior audits. In addition, MFC hired an independent auditor to review three (3) program areas. There were some findings in their report and the agency has made corrective actions. In addition, MFC is constantly working to improve services and procedures.

<b>MS Forestry Commission ARRA Funding by Program</b>		
<b>Program Name</b>	<b>New/Existing Program</b>	<b>ARRA Funds (all years)</b>
<b>Forest Health – Eradication Invasive Species</b>	<b>Existing</b>	<b>\$1,167,000</b>
<b>MS Hazardous Fuel Reduction</b>	<b>Existing</b>	<b>\$ 763,000</b>
<b>Total (all programs, all years)</b>		<b>\$1,930,000</b>



## MS Institutions of Higher Learning

OSA’s Performance Audit Division conducted a pre-audit assessment of the Mississippi Institutions of Higher Learning (IHL) on July 16, 2009. The Interim Commissioner, Assistant Commissioner, Director of Support Operations, Deputy Commissioner of Finance and Administration, and the Director of Internal Audit were present at the assessment.

IHL will receive \$19,649,291 each year for FY 2009 and FY 2010 from the State Fiscal Stabilization Fund (SFSF) and will serve as a pass through entity for ARRA funds to the State’s eight (8) universities and one (1) medical center. The funds provided in the table accompanying this memo are only reflective of the **State Fiscal Stabilization** pass through funds and do not include any Pell Grant, ARRA funded Federal Medical Assistance Percentage (FMAP), competitive grant funds, or other ARRA related funds that may go directly to the university.

Regarding payment of the State Fiscal Stabilization Funds, IHL has established that payment to the universities will be on a cost reimbursement basis. Each university is required to submit a written plan on the use of funds and identify an ARRA point of contact—preferably the Chief Financial Officer—as a way to maintain open communication between IHL and the university, and efficiently facilitate any external inquiries. A copy of the institution’s general ledger report must accompany all requests for SFSF reimbursement. Since IHL is not allowed to determine how the funds are to be spent, the universities communicated with IHL on some areas they would like to spend the funds. The top two (2) or three (3) suggestions made will be the recommendation for all universities. Currently, financial aid is the number one suggestion.

IHL will have a spreadsheet available online for the universities to input or the Executive Office to capture all necessary ARRA funding information and requests. The agency internal audit team will use this document as a tool for identifying transactions in order to initiate a review and audit of the SFSF expenditures. This is part of IHL’s efforts to prevent and track fraudulent activities.

As of the interview date, IHL was working individually with each University. Although the universities have not yet submitted their Mississippi Agency Certifications under ARRA Form to DFA, they have coordinated efforts with DFA and the Governor’s Office to get the letters in as soon as possible once requirements and specific information is provided. IHL plans to send the certification letter along with a letter from the Governor’s Office and a written plan submitted from each university spelling out the institution’s planned use of ARRA funds.

IHL has proactively begun holding ARRA training programs with university staff to provide them with the most up-to-date information they have available regarding allowable expenditures, reporting and other federal and State requirements. IHL will be part of a “Train the Trainer session” along with the State Board of Community and Junior Colleges. This session has been developed by the OSA and is intended to reinforce their knowledge base, so they in turn can provide additional assistance to the individual Universities.

- **IHL is serving as a pass through entity for the State’s**
  - eight (8) universities and
  - one (1) medical center
  
- **IHLs is estimated to receive as much as \$39.2 million in ARRA Education State Fiscal Stabilization Fund**
  - \$19,649,291 (FY2009)
  - \$19,649,291 (FY2010)
  
- **No job creation/retention at the IHL level**
  
- **IHL is already training university staff**
  
- **Website:**  
[www.ihl.state.ms.us](http://www.ihl.state.ms.us)



The agency has identified a sufficient number of qualified people to implement and oversee the ARRA funds, and has a multi-level review system in place. In order to comply with the transparency to the public requirement, IHL posts all related ARRA information to the agency website. This will include the universities' written plan; a flow chart identifying its SFSF business process; the summary spreadsheet tracking SFSF awarded versus expended; and all other ARRA related information.

<b>MS Institutions of Higher Learning ARRA Funding by Program</b>	
<b>State Fiscal Stabilization Funds *</b>	<b>Estimated ARRA SFSF Funds* (all years)</b>
<b>Alcorn State University</b>	<b>\$1,651,501</b>
<b>Delta State University</b>	<b>\$1,878,437</b>
<b>Jackson State University</b>	<b>\$3,306,672</b>
<b>Mississippi State University †</b>	<b>\$9,742,573</b>
<b>Mississippi University for Women</b>	<b>\$1,277,982</b>
<b>Mississippi Valley State University</b>	<b>\$1,284,809</b>
<b>University of Mississippi</b>	<b>\$6,672,370</b>
<b>University of MS Medical Center</b>	<b>\$6,167,724</b>
<b>University of Southern Mississippi</b>	<b>\$7,316,514</b>
<b>Estimated Total (all programs/all years)</b>	<b>\$39,298,582</b>
* This table does not include any university allocations directly from the federal government such as competitive grants, Pell grants, other funds, etc.	
† The total to Mississippi State University also includes \$1,680,304 for the College of Veterinary Medicine.	
‡ The SFSF funds listed in this table are only estimates. The final amount to be distributed to IHLs from the Education SFSF has not been finalized at the time of this report's publication.	



## MS State Board for Community & Junior Colleges

- SBCJC is serving as a pass through entity for the State 15 community and junior colleges

- Initial SBCJC pass through ARRA funds are proposed to be \$9.8 million

- Website: [www.sbcjc.cc.ms.us](http://www.sbcjc.cc.ms.us)

A pre-audit assessment of the Mississippi State Board for Community and Junior Colleges (SBCJC) was done on July 15, 2009. In attendance at this meeting were the Executive Director, Associate Executive Director of Finance and Administration, Director of Accounting, and the Accountant/Personnel Manager. The objective of the pre-audit assessment was to determine if SBCJC had the required internal controls in place to effectively receive, expend, and report the approximately \$9.8 million it is slated to receive in ARRA funds.

SBCJC will receive funding from the State Fiscal Stabilization Fund (SFSF) and will act as a pass through to the State's 15 community and junior colleges. The community and junior colleges will use these funds to cover over \$12 million in budget cuts for the 2009 fiscal year. SBCJC has elected to disperse these funds on a cost reimbursement basis only.

Since SBCJC is only acting as a pass through agency, there will not be any jobs created or retained at their agency as a result of receiving ARRA funds. SBCJC stated they submitted their annual certification letter regarding internal controls to the Department of Finance and Administration at the end of May. They noted no material weaknesses in their review. The agency did notice some areas they could improve on and have taken corrective measures. Besides that, the agency conveyed to OSA that their staff is stretched thin and two additional positions would be very beneficial in carrying out the duties of the agency. Some personnel have gone through ethics training, but it was not specifically for or related to ARRA funds.

SBCJC is requiring the community and junior colleges to submit information and plans on the usage of ARRA funds. However, SBCJC will issue newsletters and post all plans to their website detailing the funds issued and their usage. They stated all funds that are requested would be listed on the Department of Finance and Administration's website. An internal audit division is not in place at the agency. However, SBCJC do have two employees who currently monitor workforce and adult basic education programs. The agency feels they have qualified employees to monitor ARRA funds, but there is a need for additional staff, with one position needed in accounting/finance and one in monitoring.

SBCJC has set up an email address strictly dedicated to ARRA that will be added to their website. They have also been in contact with the Governor's Office and other State agencies to ensure that relevant information is shared with the public, as well as all levels of government.

SBCJC has asked each college to submit a copy of the general ledger along with all reimbursement requests to limit fraud, error, and abuse, as well as to ensure accuracy in reporting. In the event that SBCJC or any other oversight entity finds an error, SBCJC has contact information for each person responsible for handling ARRA at each community and junior college.



### MS State Board for Community and Junior College ARRA Funding by Program

Community College Name	ARRA Discretionary <i>Proposed</i> * Restoration of Funds
Coahoma Community College	\$329,448
Copiah-Lincoln Community College	\$510,817
East Central Community College	\$399,183
East Mississippi Community College	\$570,113
Hinds Community College	\$1,348,012
Holmes Community College	\$695,759
Itawamba Community College	\$857,349
Jones Community College	\$666,415
Meridian Community College	\$558,101
Mississippi Delta Community College	\$465,564
Mississippi Gulf Coast Community College	\$1,125,216
Northeast Mississippi Community College	\$522,897
Northwest Mississippi Community College	\$855,267
Pearl River Community College	\$595,312
Southwest Mississippi Community College	\$331,909
<b>Total (all programs/all years)</b>	<b>\$9,831,362*</b>

\* The SFSF funds listed in this table are proposed amounts. The final amount to be distributed to Community and Junior Colleges from the Education SFSF has not been finalized at the time of this report's publication.



## Conclusion

### General Recommendations:

- Utilize Experienced Personnel and Teams
- Enhance Coordination & Communication
- Utilize Evaluation & Testing Techniques
- Conduct Training

While a great deal can be written about the American Recovery and Reinvestment Act, with all of its rules, expectations, and distribution of billions of dollars, ultimately, these funds should be treated with the same or superior care and oversight that all taxpayer dollars should receive. Mississippi handles approximately \$7 to \$8 billion dollars in federal funds each year and has received more than \$24 billion on post-Katrina recovery since 2005, all with relatively few mishaps. The approximately \$2.8 billion in ARRA funds expected to flow into Mississippi over the next three years has new challenges and restrictions placed on it, but it is certainly something our State agencies and the Office of the State Auditor are prepared to handle.

This report is not intended to draw conclusions, make judgments or even recommendations about specific activities, but rather, it is intended to provide some summary information about State agency activities related to ARRA funding and programs. As noted earlier, this information was self-reported in formal interview sessions with OSA and agency staff and has not been passed through the rigorous performance audit process at this time. This report represents the first steps in the planning process to identify areas that may need a performance audit at a future date.

Additionally, this report examines more than \$2.3 billion already accounted for in Mississippi. As more money is provided, the Office of the State Auditor will implement all necessary oversight and auditing systems to ensure that taxpayers' interests are protected. Most agencies have strong internal controls in place and are in the process of strengthening and improving their controls. While many agencies are not implementing new programs and are only expanding existing programs, their controls and processes already in place are structured to handle the flow of money. OSA continues to make the following recommendations: utilize experienced personnel and teams; increase and enhance coordination and communication; utilize evaluation and testing techniques; and conduct relevant training.

OSA found in its interviews where additional staff are needed, the agencies reported they are generally hiring time-limited staff in an effort to not expand the size of State government. Agencies are conducting training, enhancing websites, and establishing two-way communication channels with the public. They are trying to meet the challenge of transparency through additional information offerings.

Mississippi has an opportunity to make progress by spending wisely on beneficial projects. Handled properly, hundreds of sub-recipients and thousands of individuals in Mississippi can be positively impacted by this one-time money. As the next several years bring more federal money and more federal rules, it is incumbent upon the State to follow through by validating information provided here, by testing and monitoring the processes and controls in place, and continue to be good shepherds of our citizens' money. Even though not all the rules have been written, and there is still the chance that those that have will or may change. By preparing and implementing good practices now, Mississippi can be proud of the outcome.



### Appendix A: Interview Questionnaire

Date: \_\_\_\_\_

Agency Name: \_\_\_\_\_

Agency Contact and Contact Information: \_\_\_\_\_

Ask respondents to answer the following questions to the best of their ability. These questions relate to ARRA funds only.

Programs/Existing Services			
	Yes	No	Documentation Provided
1. Will one or more program(s) in your agency receive and expend ARRA funds? <i>(Please list each program, with contacts, on separate sheet)</i>			
2. Does your agency existing program(s) have a clearly stated mission and/or objective?			
a. How do you plan to meet the goals and outcomes of ARRA programs? <i>(attach documentation)</i>			
3. Will there be any new programs created with ARRA funds?			
a. Have you established a clear and concise mission and/or objective for this program(s)?			
b. How do you plan to meet the goals and outcomes of ARRA programs? <i>(attach documentation)</i>			
4. For the new program(s), will your agency be able to maintain these programs without negatively affecting any existing programs? <i>(Include staffing, resources, etc.)</i>			
a. Will you be able to show this?			
5. Does or will each program maintain written personnel policies and standard operating procedures in addition to those established by your agency and/or the State Personnel Board?			
a. If no, then why not? _____ _____			

Job Creation/Retention			
	Yes	No	Documentation Provided
1. Will there be new positions created within your agency as a result of ARRA?			
a. As an estimate, how many will be created? _____			
b. If multiple programs, which ones? _____ _____			
2. Does your agency have job descriptions and job titles established for all jobs that will be created?			
3. Will there be any open positions filled as a result of ARRA?			
a. As an estimate, how many will be filled? _____			
b. If multiple programs, which ones? _____ _____			



4. Will there be any positions retained as a result of ARRA? a. As an estimate, how many will be retained? _____ b. If multiple programs, which ones? _____ _____			
5. Are any of these jobs (created, open, or retained) part-time or temporary? a. If so, is your agency prepared to calculate full-time equivalent (FTE) in a manner that will eliminate overstatements?			
6. If your agency is creating new positions, will you be able to sustain the positions once all ARRA funds are exhausted?			

Internal Controls / Risk Mitigation			
Certification Letter	Yes	No	Documentation Provided
1. Has your agency submitted its annual certification letter regarding internal controls?			
2. In your letter, did your agency note any material internal control weaknesses and/or significant deficiencies? a. If so, has your agency implemented a corrective action plan?			
Human Capital	Yes	No	Documentation Provided
1. Has your agency established a governance body to oversee/manage the overall implementation of ARRA? a. If no, will one be formed? b. When? _____			
2. Has your agency identified qualified personnel to implement and oversee ARRA funds? a. If no, describe how your agency/division will mitigate this issue. _____ _____			
3. Does your agency have a sufficient level of experienced personnel to manage the ARRA programs? a. If no, describe how your agency/division will mitigate this issue. _____ _____			
4. Does your agency have sufficient numbers of experienced personnel to manage the ARRA programs? a. If no, describe how your agency/division will mitigate this issue.			
5. Will your agency require ethics training related to ARRA programs? a. For your agency personnel? b. For subgrants, loans, contracts, etc?			
Acquisitions	Yes	No	Documentation Provided
1. Do new requests for proposals (RFPs) issued under ARRA initiatives contain the necessary language to satisfy the requirements of the ARRA?			
2. How does your agency plan to award contracts/subgrants/loans? _____ _____ _____			
3. How will new contracts/subgrants/loans, awarded using ARRA funds, be transparent to the public? _____ _____ _____			



4. Will the public benefits of the funds used under these contracts be reported clearly, accurately, and in a timely manner? a. How? _____ _____ _____			
5. How will you ensure that projects funded under ARRA avoid unnecessary delays and cost overruns? _____ _____ _____			
6. Will property purchases made with ARRA funds undergo any additional review or scrutiny prior to being approved? a. At the agency? b. For any subgrants, loans, contracts, etc.?			
7. Will your agency implement any additional controls to ensure that commodities or travel fraud are minimized? a. At the agency? b. For any loans, subgrants, contracts, etc.? c. What will those additional controls be?			
<b>Monitoring</b>	<b>Yes</b>	<b>No</b>	<b>Documentation Provided</b>
1. Is there an internal audit function present within the agency? a. If so, who has direct responsibility over the internal audit division? _____			
2. Will your agency's internal audit team perform any compliance, performance, and/or financial audits of programs receiving ARRA funds?			
3. How will the potential for fraud, waste, error, and abuse be minimized and/or mitigated when it comes to ARRA funds? _____ _____			
4. Will program capacity be monitored? a. For current and increased performance? b. For personnel?			
5. Has your agency reviewed all prior audits? (Such as the single audit, any internal audits, PEER audits, performance audits, or other audits or program reviews) a. For any findings, please detail your plan of action for mitigation. _____ _____			
<b>Sub-Recipient Monitoring</b>	<b>Yes</b>	<b>No</b>	<b>Documentation Provided</b>
1. Has your agency attempted to contact current and potential award sub-recipients to provide requirements, conditions, and guidance regarding ARRA funds?			
2. Does your agency have guidelines established for monitoring sub-recipients that maybe awarded ARRA funds?			
3. Does your agency have sufficient numbers and experienced personnel to monitor/audit sub-recipients according to existing and upcoming ARRA guidelines?			



4. Does your agency have reporting mechanisms in place to collect the required data from sub-recipients to meet ARRA transparency requirements?			
<b>Financial Monitoring</b>	<b>Yes</b>	<b>No</b>	<b>Documentation Provided</b>
1. Has your agency completed the transition to the new ARRA accounting codes for all program areas receiving ARRA funds?			
2. What is your methodology for cost sharing of ARRA and other funds to meet program obligations? _____ _____ _____			

<b>Communication</b>			
	<b>Yes</b>	<b>No</b>	<b>Documentation Provided</b>
1. Has your agency established an outlet for two-way communication with the public regarding awarding and usage of ARRA funding?			
2. At your agency, who is responsible for ensuring these methods of communication are efficient and effective?			
3. Has your agency been in contact with the Governor's office and /or other State agencies to ensure that relevant information in regards to ARRA funds is being shared with the public, as well as all levels of government?			
4. How will your agency provide notification of major press events to the public as it relates to ARRA?			

<b>Reporting</b>			
	<b>Yes</b>	<b>No</b>	<b>Documentation Provided</b>
1. Is the necessary reporting mechanics as required by ARRA in place at your agency?			
2. Has your agency established a review and approval process for reports related to ARRA funds?			
3. Are issues identified through established reports addressed in a timely manner?			





For more information about this issue, contact

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