



Administration on Developmental Disabilities

Making a difference in the lives of people with developmental disabilities

Information Memorandum

ADD-IM-98-5

Issued: 7/29/98

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TO:

Directors, Protection and Advocacy Systems

SUBJECT:

Office of the Inspector General's Audit Findings

LEGAL AND RELATED REFERENCES:

The Developmental Disabilities Assistance and Bill of Rights Act
Amendments of 1996 - 42 USC 6000 et seq.

45 CFR, Parts 1385-1388, Developmental Disabilities - Final Rule

BACKGROUND:

The Administration on Developmental Disabilities (ADD) was provided copies of the reports from the Office of the Inspector General's audit of selected Protection and Advocacy (P&A) programs in Fiscal Year 1998. The objectives of the review were to evaluate the P&A's financial management practices and examine fiscal records and expenditures. The review was conducted to determine the strength of the P&A's internal controls in light of weaknesses identified in reviews at other Protection and Advocacy programs.

INFORMATION:

This memorandum provides information regarding the findings and recommendations from the Office of the Inspector General's audit of selected P&As. Several findings were made of which three will be highlighted. The Administration on Developmental Disabilities (ADD), in collaboration with the Office of the



Inspector General and ACF's Division of Grants Management, is interested in making you aware of these issues and providing any training or technical assistance to improve your programs.

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-- AUDIT FINDINGS --

The P&A's financial management practices were generally sufficient to ensure that expenditures charged to the Federal grants were allowable, allocable and reasonable. The following three areas are where policies or procedures should be changed or improved:

1. Program income either was not reported or reported incorrectly on financial status reports;
2. Policies and procedures manuals need to be updated and adequately documented relating to travel, and time and attendance; and
3. Lobbying activities resulted in unallowable costs.

-- RECOMMENDATIONS --

The Office of the Inspector General made recommendations to the programs and ADD. We are recommending that P&As:

1. Determine the program income attributable to the Federal programs and report it on your financial status reports. Where applicable, establish policies and procedures requiring subcontractors to report the amount of program income generated by the use of Federal funds, and how these funds will be used in accordance with approved program alternatives;
2. Establish or update adequate policies and procedures relating to travel and time and attendance, and ensure that employees are aware of them; and
3. Refer to OMB Circular A-122, Attachment B Paragraph 25, Lobbying, which states that any attempt to influence Federal or State legislation is unallowable.

-- SUMMARY --

ADD is alerting you to the above findings from the Office of the Inspector General. We are asking for your continued commitment

in building strong programmatic and fiscally sound programs.

/signature/
Sue Swenson
Commissioner
Administration on Developmental Disabilities

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