

Corporation for  
**NATIONAL &  
COMMUNITY  
SERVICE** 

December 8, 2003

The Honorable Richard Cheney  
President of the Senate  
Washington, DC 20510

The Honorable Dennis Hastert  
Speaker of the House of Representatives  
The Capitol  
Washington, DC 20515

Dear Mr. Vice President and Mr. Speaker:

Enclosed is the Inspector General's Semiannual Report to Congress along with the Corporation's Report on Final Action, as required under Section 5 of the Inspector General Act.

These reports cover the six-month period from April 1, 2003 through October 31, 2003. During this period, the Corporation made management decisions on three audits and completed final action on two audits which are now closed. Subsequent to this period, the Corporation made management decisions on ten more audits and completed final action on six audits.

If you have any questions concerning these reports, please contact me or the Corporation's Inspector General J. Russell George.

Sincerely,

  
James F. Manning  
Acting Chief Executive Officer



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**TABLE I**

**ACTION TAKEN ON AUDIT REPORTS  
(for the Period April 1, 2003 through September 30, 2003)**

	<u>Number of Reports</u>	<u>Disallowed Costs (\$000)</u>
A. Audit reports with final action not taken by the commencement of the reporting period.	24	
B. Audit reports issued by the OIG during the period	10	
C. Audit reports for which final action was taken during the reporting period	2	
1. Recoveries		
(a) Collections and offsets	2	390
(b) Property in lieu of cash		
(c) Other (reduction of questioned costs)		
2. Write-offs	0	
3. Audits with no disallowed costs	0	
D. Audit reports for which final action was not taken by the end of the reporting period. <sup>1</sup>	32	
E. <hr/> Audit reports for which management decisions were made during or prior to the six-month reporting period and for which final action is underway.	8	

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<sup>1</sup> This includes 13 audits for which final action is not due.

**TABLE II**

**STATUS OF AUDIT REPORTS WITH MANAGEMENT DECISIONS THAT HAD NO FINAL ACTION  
WITHIN ONE YEAR OF THE ISSUANCE OF THE REPORT  
(As of September 30, 2003)**

<u>Audit Number</u>	<u>Date Issued</u>	<u>Title</u>	<u>Disallowed Costs</u>	<u>Status of Action/Reason No Final Action Was Taken</u>
00-24	08/08/00	Pre-Audit Survey Report of the Alaska State Community Service Commission	NA	The Corporation completed corrective action on this audit in October 2003.
01-31	7/9/01	Report on the Review of the CNCS National Direct Grant Application Review Process	N/A	The remaining open recommendation was to develop policies and procedures for managing the review process. They are in review with the Acting CEO.
02-03	12/27/01	Audit of CNCS Grant Number 97LHEDC001 to American Association of Community Colleges	\$2,879	The Corporation completed corrective action on this audit in November 2003.
02-10	04/18/02	Incurred-Cost Audit of Grants Awarded to the Kentucky Commission on Community Volunteerism and Service	\$32,810	The Corporation completed corrective action on this audit in November 2003.
02-11	2/21/02	Incurred Cost of Audit of Grants Awarded to the Missouri Community Service Commission	\$151,771	The Corporation completed its management decision and will conduct a monitoring visit in early 2004 to ensure that the Missouri Commission has implemented all of the corrective actions
02-14	09/30/02	Incurred-Cost Audit of CNCS Grants Awarded to the Michigan Community Service Commission	\$8,094	The Corporation completed corrective action on this audit in November 2003.
02-16	09/26/02	Incurred-Cost Audit of CNCS Grants Awarded to the Alaska State Community Service Commission	\$29,338	The Corporation completed corrective action on this audit in October 2003.
02-17	09/30/02	Incurred-Cost Audit of CNCS Grants Awarded to the New Jersey Community Service Commission	\$85,381	The Corporation completed its management decision and will conduct a monitoring visit in early 2004 to ensure that the New Jersey Commission has implemented all of the corrective actions
02-20	08/02/02	Incurred-Cost Audit of Grants Awarded to the New Hampshire Commission on National and Community Service	\$29,338	The Corporation completed corrective action on this audit in November 2003.
02-21	09/30/02	Incurred-Cost Audit of CNCS Grants Awarded to the Alabama Governor's Office on National and Community Service	TBD	The Alabama Commission must gather documentation from several subgrantees before the Corporation can complete corrective action. Anticipated completion date is February 2004

**TABLE III**

**STATUS OF AUDIT REPORTS WITH MANAGEMENT DECISIONS THAT HAD NO FINAL ACTION  
WITHIN ONE YEAR OF THE ISSUANCE OF THE REPORT  
(As of September 30, 2003)**

<u>Audit Number</u>	<u>Date Issued</u>	<u>Title</u>	<u>Disallowed Costs</u>	<u>Status of Action/Reason No Final Action Was Taken</u>
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