

Why GAO Did This Study

Created in 1993, CNCS distributes about \$750 million in grants annually to volunteer and national service programs for needs ranging from disaster recovery to improving education. A 2014 CNCS Office of Inspector General (OIG) report cited problems with grant management. GAO was asked to review CNCS's efforts to improve its grant monitoring.

This report examines (1) CNCS's process for grant monitoring; (2) the extent that this process aligns with relevant internal controls for identifying, analyzing, and responding to risk; and (3) the extent that CNCS has the capacity necessary to monitor grantees' compliance with grant requirements. GAO reviewed agency documents for fiscal years 2015 and 2016; analyzed fiscal year 2015 assessment and monitoring data (the most recent complete year of data available); interviewed agency officials and a nongeneralizable sample of program and grant officers who had experience with grants with negative outcomes, such as greater-than-expected monitoring needs or audit findings; and held discussion groups with a small nongeneralizable number of grantees attending two 2016 training conferences.

What GAO Recommends

GAO is making six recommendations to CNCS, including to ensure that all grants are assessed for risk and that its scoring model prioritizes risk; to review its monitoring protocols; and to develop a strategic workforce planning process. CNCS and CNCS OIG provided technical comments, which were incorporated as appropriate.

View [GAO-17-90](#). For more information, contact Allison Bawden at (202) 512-7215 or bawdena@gao.gov

GRANTS MANAGEMENT

Monitoring Efforts by Corporation for National and Community Service Could Be Improved

What GAO Found

The Corporation for National and Community Service (CNCS) assesses its grants before the beginning of each fiscal year and prioritizes its grant monitoring based on the scoring of certain indicators, such as potential performance or financial problems and the length of time since the last compliance visit. For fiscal year 2015, CNCS identified about 2,200 grants for assessment and prioritized 16.4 percent for compliance visits and 5.4 percent for other types of visits and financial reviews. In addition, each year CNCS selects a sample of grant records to review for improper payments.

CNCS's process for grant monitoring is not fully aligned with the internal controls for identifying, analyzing, and responding to risks (see fig.). Specifically, because CNCS's assessment process does not include all grants, risks may go unidentified. Further, the assessment process uses a scoring model of 19 indicators to analyze and prioritize grants for monitoring visits rather than to identify the highest-risk grants. For example, multiple financial risks are grouped together under one indicator, including for improper payments, and a grant found to have such risks would not be scored as high priority for monitoring based on this indicator alone. In addition, while nearly half of CNCS grant dollars are passed through to other organizations (referred to as subrecipients) and evidence indicates that subrecipient oversight is a key risk area, CNCS's monitoring of grantees' oversight of subrecipients is limited, leaving the agency's response to risk vulnerable in this area.

Areas for Improvement in CNCS's Grant Monitoring Process



Source: GAO analysis of Corporation for National and Community Service (CNCS) monitoring process and GAO Standards for Internal Control in the Federal Government, GAO-14-704G, Principle 7. | GAO-17-90

CNCS has not conducted the strategic workforce planning necessary to determine whether it has the people and resources to effectively monitor grantees' compliance with grant program requirements, as key principles for effective strategic workforce planning suggest. CNCS's workforce management activities to address vacancies have been largely ad-hoc, including vacancies in a key office responsible for grant monitoring, at senior levels across the agency, and among program and grant officers. Some of these vacancies reduced the number of fiscal year 2015 monitoring activities conducted. Further, program and grant officers' workloads varied across the agency, and CNCS has not evaluated whether staff have been deployed where they are most needed. Officials said they had not developed a strategic workforce planning process because of limited resources. Without such a process, CNCS's efforts to address workforce challenges may continue to be ad hoc and reactive.