



Office of Inspector General

Appalachian Regional Commission

Audit of Grant Award to Rural Health Network of South Central New York Grant Number NY-20285

Report Prepared by Regis & Associates, PC

Report Number 24-12

January 17, 2024

Appalachian Regional Commission
Office of Inspector General
1666 Connecticut Avenue, Suite 718
Washington, D.C. 20009



Office of Inspector General

Appalachian Regional Commission

January 17, 2024

TO: Brandon McBride, Executive Director

FROM: Rhonda L. Turnbow, Deputy Inspector General *Rhonda Turnbow*

SUBJECT: Audit Report 24-12 – Rural Health Network of South Central New York

This memorandum transmits the Regis & Associates, PC report for the audit of costs charged to grant number NY-20285 per its agreement with the Appalachian Regional Commission. The objective of the audit was to determine if costs claimed were allowable, allocable, reasonable, and in conformity with the Commission's award terms and conditions and Federal financial assistance requirements. In addition, the audit determined whether the performance measures were reasonable, supported, and fairly represented to the Commission.

Regis & Associates, PC is responsible for the attached audit report and the conclusions expressed in this report. The auditors did not issue any recommendations in the report. We do not express any opinion on the conclusions presented in the audit report. To fulfill our responsibilities, we:

- Reviewed the approach to and planning of the audit;
- Evaluated the qualifications and independence of the auditors;
- Monitored the progress of the audit at key points;
- Coordinated periodic meetings, as necessary;
- Reviewed the draft and final audit reports; and
- Coordinated the issuance of the audit report.

We thank your staff for the assistance extended to the auditors during this audit. Please contact me at 202-884-7675 if you have any questions regarding the report.

*Report on Performance Audit
of
Appalachian Regional Commission
Grant Number NY-20285-21
for the Period from July 1, 2021, to April 30, 2023*

*Awarded to
Rural Health Network of South Central New York*

*Prepared for the Appalachian Regional Commission -
Office of the Inspector General*

*Auditee: Rural Health Network of South Central New York
As of Date: January 8, 2024*


MANAGEMENT CONSULTANTS &
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EXECUTIVE SUMMARY

Office of Inspector General
Appalachian Regional Commission
1666 Connecticut Avenue, NW; Suite 700
Washington, DC 20009

We conducted a performance audit (the audit) of grant agreement number NY-20285-21, awarded by the Appalachian Regional Commission (ARC) to Rural Health Network of South Central New York (the Grantee); with a grant performance period of July 1, 2021, to April 30, 2023. We conducted this performance audit at the request of the ARC Office of Inspector General, to assist it in its oversight of ARC grant funds. This performance audit engagement covers the period from July 1, 2021, to April 30, 2023.

The objectives of the performance audit were to determine whether: (1) program funds were managed in accordance with ARC and Federal grant requirements; (2) grant funds were expended, as provided for in the approved grant budget; (3) internal guidelines, including program (internal) controls, were adequate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with accounting principles generally accepted in the United States of America (or other applicable accounting and reporting requirements); (5) matching requirements were met; (6) the reported performance measures were fair and reasonable; and 7) if the requirements for the performance of a Single Audit were met, the Grantee conducted such an audit and appropriately addressed any noted findings and recommendations related to the management of Federal awards.

We conducted this performance audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions, based on our audit objectives.

We conducted planning and fieldwork phases of the audit during the period from August 29, 2023, through November 30, 2023. We determined that Rural Health Network of South Central New York's financial management, administrative procedures, and related internal controls, were adequate to manage ARC's grant funds. There were no findings and recommendations resulting from this performance audit engagement.

We discussed the results of this performance audit with Rural Health Network of South Central New York's officials at the conclusion of our fieldwork. Rural Health Network of South Central New York's response has been included as Attachment 1 to this report.

Regis & Associates, PC appreciates the cooperation and assistance received from Rural Health Network of South Central New York and ARC staff during this performance audit.

Regis & Associates, PC

Regis & Associates, PC
Washington, DC
January 8, 2024

Background

The Appalachian Regional Commission (ARC) is a regional economic development agency, representing a unique partnership of Federal, state, and local governments. ARC-funded programs are used to support education and job training, healthcare, water and sewer systems, housing, highway construction, and other essentials of comprehensive economic development. ARC's staff is responsible for program development; policy analysis and review; grant development; technical assistance to states; and management and oversight. ARC grants are made to a wide range of entities, including; local development districts, state ARC Offices, state and local governments, educational establishments, nonprofit organizations, and for a variety of economic development projects.

On June 28, 2021, the Appalachian Regional Commission awarded Grant Number NY-20285-21, in the amount of \$150,000, to Rural Health Network of South Central New York. As a condition of this award, the Grantee was required to contribute a matching amount of \$150,000. The period of performance of the grant was from July 1, 2021, through June 30, 2022. On January 11, 2023, ARC approved an amendment to extend the grant's period of performance to April 30, 2023. This performance audit engagement covers the period from July 1, 2021, to April 30, 2023.

The grant was awarded to Rural Health Network of South Central New York, to aid in a project titled, "GetThere Transportation to Employment Program". This project was to be used to provide short-term transportation assistance to individuals, who are not able to afford the cost of transportation at the beginning of employment.

Objective, Scope, and Methodology

Objective

The general objectives of the performance audit were to determine whether Rural Health Network of South Central New York expended grant funds in accordance with applicable requirements; and to report any resulting findings and questioned cost relating to internal controls, program performance, and compliance with the provisions of the grant agreement, laws, and regulations.

Scope and Methodology

The Appalachian Regional Commission, Office of Inspector General, under Contract Number ARC21P050, dated February 25, 2022; engaged Regis & Associates, PC to conduct a performance audit of Grant Number NY-20285-21, titled "GetThere Transportation to Employment Program", which was awarded to the Grantee. The term of the grant was from July 1, 2021, to June 30, 2022. However, the grant was extended to April 30, 2023. This performance audit engagement covers the period from July 1, 2021, to April 30, 2023.

The budgeted amounts for the grant are presented below:

Exhibit – A: Schedule of Grant Budget			
<u>Object Class Category</u>	<u>Federal</u>	<u>Non-Federal</u>	<u>Total</u>
Personnel	\$ 82,696	\$ 82,696	\$ 165,392
Fringe Benefits	12,286	12,286	24,572
Travel	-	4,000	4,000
Supplies	-	7,870	7,870
Contractual	52,500	-	52,500
Other	2,518	43,148	45,666
Total Direct Charges	\$ 150,000	\$ 150,000	\$ 300,000
Total	\$ 150,000	\$ 150,000	\$ 300,000

We conducted this performance audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions, based on our audit objectives.

The audit was conducted, using the applicable requirements contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); the ARC Code; and the Grant Agreement.

Our audit procedures included:

- Obtaining an understanding of the Grantee’s internal controls; assessing control risk; and determining the extent of testing needed, based on the control risk assessment.
- Reviewing written fiscal policies and administrative procedures for applicable grant activities.
- Assessing, on a test basis, evidence supporting the amounts; and the Grantee’s data and records.
- Assessing the accounting principles and significant estimates made by the Grantee.
- Evaluating the overall evidence and presentation of the records.
- Assessing whether the grant’s reported performance measures were fair and reasonable.
- Conducting other test procedures deemed necessary, based on our professional judgment.

Results

Based on the results of our testing and analysis on this performance audit, we determined that:

- 1) The grant funds were managed in accordance with ARC and Federal grant requirements.
- 2) As of April 30, 2023, the Grantee had expended \$298,933 of the grant’s budgeted amount of \$300,000.

**Rural Health Network of South-Central New York
Performance Audit of ARC Grant Number NY-20285-21**

Below, we have presented a Schedule of Claimed and Audit Recommended Cost as of April 30, 2023, which reflects the results of our audit.

**Exhibit – B: Schedule of Claimed and Audit Recommended Costs
As of April 30, 2023**

Object Class Category	Claimed Costs		Questioned Costs		Audit Recommended		Total
	Federal	Non-Federal	Federal	Non-Federal	Federal	Non-Federal	
Personnel	\$ 96,507	\$ 107,136	\$ -	\$ -	\$ 96,507	\$ 107,136	\$ 203,643
Fringe Benefits	16,850	16,327	-	-	16,850	16,327	33,177
Travel	-	683	-	-	-	683	683
Supplies	-	213	-	-	-	213	213
Contractual	32,782	3,119	-	-	32,782	3,119	35,901
Other	2,300	23,016	-	-	2,300	23,016	25,316
Total Direct Charges	\$ 148,439	\$ 150,494	\$ -	\$ -	\$ 148,439	\$ 150,494	\$ 298,933
Total	\$ 148,439	\$ 150,494	\$ -	\$ -	\$ 148,439	\$ 150,494	\$ 298,933

- 3) Internal guidelines, including program (internal) controls, were adequate and operating effectively. The Grantee had written policies and procedures for applicable grant activities, which we considered adequate for administering the grant.
- 4) Accounting and reporting requirements were implemented, in accordance with accounting principles generally accepted in the United States of America (or other applicable accounting and reporting requirements), including ARC requirements.
- 5) We determined that the Grantee had contributed a matching amount of \$150,494, which was \$494 more than the required match amount of \$150,000, as of April 30, 2023. These matching funds were properly supported and allowable under both Federal and ARC requirements.
- 6) We determined that the Grantee implemented effective policies and procedures to accurately capture, record, and report grant performance measures (that included the number of workers, who were served by the GetThere Transportation to Employment Program; and businesses served by the workers as a result of the program). Based on our review of the Grantee’s procedures, the performance results reported to ARC were fair and reasonable.
- 7) We verified that the Grantee did not meet the requirements for the performance of a Single Audit; and thus, was not subject to the Single Audit requirements, under the Uniform Guidance.

Attachment 1: Grantee's Response



January 8, 2024

Peter Regis, CPA
Regis & Associates, PC
1420 K Street, NW Suite 910
Washington, DC 20005

Subject: Performance Audit of Grant Agreement Number NY-20285-21

We are providing this letter in connection with the subject audit performed by Regis & Associates, PC on behalf of the Appalachian Regional Commission (ARC).

I have reviewed and concur with the audit result. On behalf of Rural Health Network of South Central New York (SCNY), it was a pleasure working with you and your team and we look forward to working with you in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "John C. Salo". The signature is stylized and somewhat cursive.

John C. Salo
Interim Executive Director