

National State Auditor's Association



32nd Annual Conference

Living With the Recovery Act: North Carolina's Perspective

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Federal Recovery Moneys



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- Total Stimulus \$ - \$862 Billion
 - \$280 Billion to State & Local Governments
 - \$8.9 Billion – North Carolina's Share
 - \$6.3 Billion – State & Local Governments
 - \$2.6 Billion – Individuals and Organizations, i.e., Pell Grant, Military Spending, Food Stamps

North Carolina Climate



- Resources Diminished – FY 2010 \$4.8B Budget Shortfall
- New Administration
 - Governor
 - Agency Heads
- New Money – Old Programs
- History Repeats Itself?

Federal Recovery Moneys Who Were The Players?



- Federal Government
- Inspector General
- GAO
- North Carolina
 - Office of State Auditor
 - Office of Economic Recovery & Investment (OERI)
 - State Controller's Office

Federal Recovery Moneys Concerns



- No Definitive Federal Guidance
- Communication to Local Governments
- Magnitude & Timing of Federal \$
- Prior Findings
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Federal Recovery Moneys Strategy



- GAO
 - Assess & Communicate
 - Review State Agencies & Subrecipients
 - Report
- Office of Economic & Recovery Investment
 - Assess & Educate
 - Provide Resources & Guidance
- Office of State Auditor
 - Communicate Concerns/Risks
 - Assess & Communicate to OERI & Governor
 - Audit Expenditures

Federal Recovery Moneys GAO Oversight in NC



- Programs Reviewed
 - Education: State Fiscal Stabilization Fund
 - Title I of ESEA
 - Individuals w/ Disabilities Education Act (IDEA)
 - Weatherization
 - Highway Infrastructure/Transit
 - Dislocated Workers Program
 - Clean Water & Drinking Water Revolving

Federal Recovery Moneys GAO Oversight in NC



- Other Areas Reviewed
 - Recipient Reporting
 - Deadline met
 - Few Errors
 - North Carolina's Fiscal Condition

Federal Recovery Moneys OSA Oversight



- Reviewed Controls over 2010 ARRA \$
- Programs Anticipated as Majors for 2010
- Assessed Design/Controls in Place & Working
- Reported – No Opinion
- Reported to Governor and Office of Economic Recovery & Investment (OERI)

Federal Recovery Moneys OSA Oversight



- Agencies:
 - Health & Human Services
 - Public Instruction
 - Crime Control & Public Safety
 - Employment Security Commission
 - Agriculture & Consumer Services
 - Environment & Natural Resources
 - Office of State Budget & Management

Federal Recovery Moneys Findings - OSA



- Subrecipient Monitoring
- Failure to Timely Communicate ARRA Federal Award Information to Subrecipients
- Deficiencies in Cash Management Procedures
- Deficiencies in Internal Control Over Period of Availability Requirements

Federal Recovery Moneys Findings – OSA (cont'd)



- Management Decisions Not Issued to Subrecipients
- Verification of Central Contractor Registration Not Performed Timely
- Failure to Comply With Federal Suspension and Debarment Requirements

Federal Recovery Moneys Findings-GAO



- Unallowable Costs
- Inadequate Resources to Administer ARRA Funds
- Slow Allocation
- Davis Bacon
- ARRA not Adequate to Stabilize Budget

Federal Recovery Moneys Going Forward



- Still Administering & Auditing/Reporting 2011
- Auditing 2012
- Fraud
- Budget Shortfalls

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Questions?

