



U.S. Department of Housing and Urban Development  
District Office of the Inspector General  
Office of Audit  
Richard B. Russell Federal Building  
75 Spring Street, SW, Room 330  
Atlanta, GA 30303-3388  
(404) 331-3369

April 23, 2001

Audit Memorandum  
No. 2001-AT-1803

MEMORANDUM FOR: John L. Perry, Director, Georgia State Office of Community  
Planning and Development, 4AD

FROM: Nancy H. Cooper  
District Inspector General for Audit-Southeast/Caribbean, 4AGA

SUBJECT: Accounting System Evaluation  
Veterans Opportunity and Resource Center, Inc.  
Atlanta, Georgia

### INTRODUCTION

As you requested, we have completed a limited evaluation of the new accounting system implemented by Veterans Opportunity and Resource Center, Inc. (VORCI). Your request was the result of a monitoring visit by your staff to VORCI. During this visit, your staff determined that VORCI's accounting system was not adequate to properly account for the receipt and disbursement of grant funds and the charging of costs to the various grant programs. VORCI informed your staff that it had installed a new accounting system to correct this problem. Our review was limited to the review of this new system.

### SCOPE OF REVIEW

We conducted the evaluation to determine if VORCI had implemented an adequate financial management system to account for the grant funds for which it has applied. This review was not an audit made in accordance with generally accepted auditing standards. Our evaluation included a review of the Supportive Housing Program grant proposal and budget, discussions with Arthur C. Barham, Executive Director, and Jennifer Neely, Administrative Operations Manager, a "walk through" of the new accounting system, a review of various accounting forms, and VORCI's Financial Management System Handbook that establishes, among other things, internal control and purchasing procedures.

## OBSERVATIONS

Based on our review, we determined that VORCI has an adequate financial management system in place to account for Supportive Housing Program grant funds. We noted that although VORCI has developed new forms to keep track of the time an employee spends on each grant, they were currently not being used. The use of these forms applies primarily to administrative personnel, such as the Executive Director and Administrative Operations Manager, who perform administrative functions for the various grants. The budget for the proposed grant shows the Administrative Operations Manager charging 100 percent of her time to the grant. Discussions with the Manager, however, show she will also be spending time on other grants. We discussed this with the Executive Director and the Administrative Operations Manager. They agreed the forms would be used to track the employees' time.

This memorandum is for your information and does not require a response. If you have any questions, please contact Terry Cover, Assistant District Inspector General for Audit, or myself at (404) 331-3369.

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Armando Falcon, Director, Office of Federal Housing Enterprise Oversight, O, 1700 G Street, NW,  
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