



## State of South Carolina Office of the Governor

NIKKI R. HALEY  
GOVERNOR

OFFICE OF EXECUTIVE  
POLICY AND PROGRAMS

August 15, 2014

Dr. Willie Ross, Executive Director  
Piedmont CA, Inc.  
300A South Daniel Morgan Avenue  
Spartanburg, SC 29304

Dear Dr. Ross:

On January 21, 2014 through February 21, 2014, the Office of Economic Opportunity (OEO) performed a fiscal monitoring of the OEO federal grants for fiscal years ending December 31, 2010, December 31, 2011 and December 31, 2012. The fiscal monitoring consisted of a review of the fiscal activities and internal controls for the aforementioned fiscal years.

The fiscal monitoring was also performed in conjunction with a programmatic monitoring of the Weatherization and ARRA Weatherization Programs by the OEO Weatherization staff and the State Office of Inspector General (OIG). The Agency received a preliminary report of the results of the OEO programmatic monitoring dated July 30, 2014. This letter is to advise the Agency of the issuance of the results of the fiscal monitoring preliminary report of the fiscal years under review.

During OEO's fiscal monitoring, some discrepancies were revealed in the fiscal administration of the programs awarded to the Agency. Our discussion of these findings is in the enclosed report. Due to the findings that were noted, a management letter / Corrective Action Plan or Quality Improvement Plan is required to be submitted to the OEO to address the noted findings. We request that you prepare a written response that includes the following elements:

- Have the letter addressed to Diana Graham, Senior Manager of Fiscal Monitoring
- Findings (F 01-12 through Finding 05-12)
- Area of Concern (AOC 01-12).
- Special Areas of Interest (SAI 01-12 through SAI 02-12)
- Acknowledgement of the findings and corrective action that will be taken, to include a timeline.
- Signature of the Agency Executive Director.

OFFICE OF ECONOMIC OPPORTUNITY  
1205 PENDLETON STREET  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 734-0662 • WWW.OEPP.SC.GOV/OEO

Dr. Willie Ross

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Your response will be included as part of the final report and included as part of our files. To ensure the timely disbursement of the final report, we ask that OEO receive your response within thirty (30) days from the date of this letter. If you do not respond, we will conclude that the Agency agrees with our findings and that corrective actions will be taken to address the noted deficiencies. The OEO may also deem it necessary to perform a follow-up on-site monitoring review to verify that appropriate corrective actions have been taken.

If you need additional information or have any questions, please call me at (803) 734-0521 or email me at [dgraham@oepp.sc.gov](mailto:dgraham@oepp.sc.gov).

Sincerely,



Diana Graham  
Senior Manager of Fiscal Monitoring

Enclosure

cc: Board of Directors  
Donnie Sims, Fiscal Officer  
James Miller, OEO Director  
Bertie McKie, OEO Executive Assistant  
Kelly Sumter, Senior Manager, CSBG/LIHEAP  
Paul Younginer, Senior Manager, WAP  
Kimberly Cosare, OEPP Auditor  
OEO files

**OFFICE OF ECONOMIC OPPORTUNITY  
PIEDMONT CA, Inc.**

**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEAR ENDING 12/31/12, 12/31/11, 12/31/10**

**AGENCY:** Piedmont CA, Inc.  
300A South Daniel Morgan Avenue  
Post Office Box 5374  
Spartanburg, SC 29304

**EXECUTIVE DIRECTOR:** Dr. Willie Ross, Jr.

**FISCAL OFFICER:** Donnie Sims

**FIELD AUDIT DATE:** January 21-24, 2014, February 3-7, 2014  
February 18-21, 2014

**REPORT DATE:** August 15, 2014

**FISCAL MONITORING  
STAFF:** Diana Graham, Senior Manager for Fiscal Monitoring  
Shawunda Baker, Auditor

**DISTRIBUTION:** Board of Directors  
Donnie Sims, Fiscal Director  
Cynthia Lounds, Director of Economic Development  
James Miller, OEO Director  
Bertie McKie, OEO Executive Administrator  
Kimberly Cosare, OEPP Auditor  
OEO Senior Managers  
OEO Files

**OFFICE OF ECONOMIC OPPORTUNITY  
PIEDMONT CA, Inc.**

**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

Based on the procedures outlined in the letter to the Executive Director of the Agency, we noted the following during our fiscal monitoring regarding the grants awarded to the Agency by OEO. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the information and use of the administration of the Agency, the OEO, and the Federal grantors and should not be used for any other purposes.

**GENERAL SUMMARY:**

**INTERNAL CONTROL SUMMARY**

**Effective Period:** January 1, 2010 – December 31, 2012

**Auditor Comments:** A test of internal controls was performed during the fiscal monitoring visit for the period of January and February 2014. There were some areas of internal control weaknesses identified. A detailed review of internal controls may be reviewed in the Findings and Areas of Concern Section at F01-12, F02-12, and SAI 01-12 of this report.

**BOARD REVIEW SUMMARY**

**Effective Period:** January 1, 2012 – December 31, 2012

**Auditor Comments:** A review of the Board of Director's minutes of meetings held for the period of January – December 2012 was performed to determine the Agency's compliance with OEO Grant Agreements. During the review, there was an area of concern that OEO deemed necessary to disclose to management. A detailed review of the area of concern may be reviewed in the Findings and Areas of Concern Section at SAI 02-12 of this report.

**PROGRAM SPECIFIC SUMMARY:**

**COMMUNITY SERVICES BLOCK GRANT (CSBG)**

**PROGRAM YEARS:** January 1, 2010 – December 31, 2012

**Effective Period:** January 1, 2010 – December 31, 2012

**Auditor Comments:** Our review of this grant for the periods listed above resulted in no noted areas of concern and / or findings.

**OFFICE OF ECONOMIC OPPORTUNITY  
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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**PROGRAM SPECIFIC SUMMARY:**

**LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP)**

**PROGRAM YEARS:** January 1, 2010 – December 31, 2012  
**Effective Period:** January 1, 2010 – December 31, 2012

**Auditor Comments:** Our review of this grant for the periods listed above resulted in no noted areas of concern and / or findings.

**WEATHERIZATION ASSISTANCE PROGRAM (WAP)**

**PROGRAM YEARS:** April 1, 2010 – March 31, 2012  
**Effective Period:** April 1, 2010 – March 31, 2012

**Auditor Comments:** Our review of this grant for the periods listed above resulted in areas of concern and/or findings that OEO deemed necessary to disclose to management. A detailed review of OEO's findings may be reviewed in the Findings and Areas of Concern Section at F01-12 through F05-12 and AOC 01-12 of this report.

**WEATHERIZATION ASSISTANCE PROGRAM –ARRA (WAP-ARRA)**

**PROGRAM YEAR:** April 1, 2009 – September 31, 2013  
**Effective Period:** April 1, 2010 – December 31, 2012

**Auditor Comments:** Our review of this grant for the periods listed above resulted in areas of concern and/or findings that OEO deemed necessary to disclose to management. A detailed review of OEO's findings may be reviewed in the Findings and Areas of Concern Section at F01-12 through F05-12 and AOC 01-12 of this report.

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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**FINDINGS, AREAS OF CONCERN, AND RECOMMENDATIONS**

**FINDINGS**

**Finding Number: F 01-12**

**Finding Title:** Internal control weaknesses regarding the maintenance and accountability of materials and equipment inventory.

**Programs Impacted:** Weatherization Assistance Program and ARRA Weatherization Assistance Program

**Condition:** An internal controls review was performed regarding the Agency's established procedures for managing materials and equipment inventory. The review included an on-site review of the materials and equipment maintained at the Howard Street location, a review of the logs used to track the maintenance and distribution of materials stored within the warehouse and a review of the logs of the equipment purchased with Weatherization Assistance Program (WAP) and the American Recovery and Reinvestment Act Weatherization Assistance Program (ARRA WAP) grant funds.

Internal control weaknesses included lack of controls over the purchasing, maintenance, security, location and accountability of materials and equipment. There was some inventory reported on the logs that could not be accounted for as well as inventory within the warehouse that was not reported on the Agency's logs. Purchases of several electronic devices were made that were not used during the ARRA WAP grant program and continues to remain unused. At the Howard Street location where the equipment and inventory are stored, there is lack of security to guard against theft. It was also determined that there is not a sufficient tracking mechanism in place to account for the distribution or return of inventory into the warehouse.

**Cause:** Insufficient management practices.

**Effect:** Internal control weaknesses can have an affect on the proper management of grant funds and effective implementation of the Agency's policies and procedures; thereby placing the Agency in jeopardy of fraud, theft, waste and/or asset mismanagement.

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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Finding Number: F 01-12 (Continued)**

**Criteria:** Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards Register on Internal Controls subtitle 200.303 states that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States.

Subtitle 200.302 in regards to financial management states that the non-federal entity's records should identify adequately the source and application of funds for federally-funded activities. The non-federal entity should have effective control over, and accountability for all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

**Required Action:** The OEO recommends that Agency management re-evaluate their policies and procedures to ensure effective controls are in place that validates operational objectives, employee productivity and security of grant program funds. Written correspondence should be submitted to the OEO outlining the policies and procedures in place to ensure adequate internal controls for effective records management. The correspondence should also include the security measures that are in place that ensures compliance and accountability of all materials and equipment inventory purchased with OEO grant funds.

**Finding Number: F 02-12**

**Finding Title:** Weaknesses within the Control Activities and Information and Communications Standards of Internal Controls.

**Programs Impacted:** All OEO Programs

**Condition:** An internal controls review was performed regarding the Agency's established procedures for the implementation, reviewing and accountability of financial resources. The review included a discussion of the information, communications and records maintenance between the fiscal and program departments.

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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Finding Number: F 02-12 (Continued)**

During a discussion with fiscal and program personnel, OEO determined that there was a lack of communications or understanding of the procedures for reporting, reviewing and accountability of federal and private funds. There was insufficient evidence of how the funds were reported within the Agency's accounting system as well as accountability of the fund balances as reported on the logs in the program department. The two departments had discrepancies in determining the actual fund balances. Discrepancies in reporting could affect the effective management of all financial resources allocated to the Agency.

**Cause:** Insufficient information and communications practices.

**Effect:** Internal controls weaknesses can have an affect on the proper management of grant funds, effective implementation of the Agency's policies and procedures and places the Agency in jeopardy of fraud, theft and financial mismanagement.

**Criteria:** Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards register on Internal Controls subtitle 200.303 states that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States.

Subtitle 200.302 in regards to financial management states that the non-federal entity's records should identify adequately the source and application of funds for federally-funded activities. The non-federal entity should have effective control over, and accountability for all funds, property, and other assets.

**Required Action:** The OEO recommends that Agency management re-evaluate their policies and procedures to ensure effective controls are in place that validates operational objectives, employee productivity and security of grant program funds. Written correspondence should be submitted to the OEO outlining the policies and procedures in place to ensure adequate internal controls for effective fiscal and program records management. The correspondence should also include security measures that are in place that ensures compliance and accountability of all OEO grant funds.

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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Finding Number: F 03-12**

**Finding Title:** Insufficient Records Maintenance and Accountability of Capitalized and non-capitalized assets and Materials

**Programs Impacted:** Weatherization Assistance Program and ARRA Weatherization Assistance Program

**Condition:** Agency records did not contain an accurate account of materials and equipment purchased with WAP and ARRA WAP grant funds. OEO fiscal monitoring staff on-site review of the materials and equipment purchases resulted in the Agency's inability to identify some materials and/or equipment that was recorded on the inventory logs. There were also materials and/or equipment located in the warehouse that were not recorded as purchases on the logs. The logs also contained a combination of WAP and ARRA WAP equipment and inventory with no identifying record to distinguish between WAP nor ARRA WAP grant purchases.

Upon OEO's continued on-site review, there was also some inventory stored within the warehouse that a determination could not be made as to whether the items were purchases made with OEO grant funds. These items if purchased with OEO WAP or ARRA WAP funds would be purchases that are unallowable costs for the weatherization programs, such as kitchen and bathroom faucets.

**Cause:** Insufficient records management

**Effect:** Improper records maintenance and accountability of materials and equipment purchases could place the Agency in jeopardy of theft, fraud and mismanagement of federal funds.

**Criteria:** Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards register, Subtitle 200.302 in regards to financial management states that the non-federal entity's records should identify adequately the source and application of funds for federally-funded activities. The non-federal entity should have effective control over, and accountability for all funds, property, and other assets.

**Recommendation:** The OEO recommends that the Agency perform an in-depth review of the WAP and ARRA WAP capitalized and non-capitalized assets to establish an accurate account of materials and equipment within the warehouse, various program departments and on property locations. The Agency logs should be updated and contain accurate identification of purchases made with grant funds. Written documentation should be submitted to the OEO verifying all capitalized and non-capitalized assets purchased with OEO grant funds.

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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Finding Number: F 04-12**

**Finding Title:** Discrepancy between fiscal records (general ledger) and client assistance records of materials purchased and contract services provided.

**Programs Impacted:** Weatherization Assistance Program and ARRA Weatherization Assistance Program

**Condition:** A review of the Agency's fiscal records in comparison to the documentation reported within the ARRA WAP client assistance files revealed a major discrepancy between materials purchased and contract services provided. The fiscal records of several clients provided services under the ARRA WAP grant varies from the documentation reported within the client files.

Due to the lack of documentation within the client files to verify services rendered as well as an on-site review of these homes performed by OEO Weatherization Manager that revealed incomplete weatherization services or non-existence of services provided, the cost expended as reported on the fiscal records will result in disallowed costs. Because this review is on-going, the total amount of disallowed cost is subject to increase/decrease depending on the final results of the programmatic on-site review of dwellings, OEO's review of client files and financial records and the Agency's implementation of a corrective action plan.

**Cause:** Inadequate weatherization services of clients dwellings/Insufficient management practices

**Effect:** Inadequate reporting or possible fraudulent documentation can place the Agency in jeopardy of noncompliance to federal and state regulations which can cause reductions in the allocation of OEO federal grant funds or discontinued funding as a subgrantee of OEO federal grants.

**Criteria:** Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards register, Subtitle 200.302 in regards to financial management states that the non-federal entity's records should identify adequately the source and application of funds for federally-funded activities. The non-federal entity should have effective control over, and accountability for all funds, property, and other assets.

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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Finding Number: F 04-12 (Continued)**

In accordance to Subtitle 200.207 Specific Conditions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards register, based on the criteria set forth in the federal awarding agency review of risk posed by the recipient, the Federal awarding agency or pass-through entity may impose specific award conditions to include: requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance; requiring additional or more detailed reports; requiring additional project monitoring; requiring the non-federal entity to obtain technical or management assistance; or establishing additional prior approvals.

Subtitle 200.338 Remedies for noncompliance states, "The Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances: Temporarily withhold cash payments pending correction of the deficiency by the non-federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity, disallow all or part of the cost of the activity or action not in compliance or wholly or partly suspend or terminate the federal award.

**Recommendation:** The OEO recommends that the Agency perform a review of the ARRA WAP client assistance files in comparison to the reported expenditures within the fiscal department to ensure actual weatherization services were provided. Due to the documentation reviewed and information received, the OEO may determine that a continued review of client services provided through the weatherization programs will be performed. The Agency is to submit a corrective action plan to the OEO outlining the procedures to be taken to ensure weatherization client services were in compliance with the weatherization grant agreement and federal and state regulations. The plan should also include procedures that will be implemented to ensure future weatherization services will be in compliance to the Weatherization grant agreement as well as state and federal regulations.

**Finding Number: F 05-12**

**Finding Title:** Insufficient Client File Documentation

**Programs Impacted:** Weatherization Assistance Program and ARRA Weatherization Assistance Program

**OFFICE OF ECONOMIC OPPORTUNITY  
PIEDMONT CA, Inc.**

**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Finding Number: F 05-12 (Con't)**

**Condition:** The client files reviewed for the WAP and ARRA WAP grant programs did not contained the required documentation in accordance to the WAP and ARRA WAP grant agreements and Davis-Bacon Act requirements. The majority of client files reviewed did not contain the following required documentations:

- receipts/invoices identifying materials purchased or documentation of materials removed from the warehouse to be used on the client's home/apartment
  - Pre/Post Assessment documentation
  - No documentation within client file (Blank File)
  - Vacant apartment file did not have any documentation identifying work completed
  - No documentation of contractor that provided weatherization services or labor cost
  - No supporting documentation of contractor labor cost in comparison to material cost documentation within client file (Labor cost questionable due to the materials used to weatherize dwelling)
  - Client information booklet not within client file or incomplete
  - Final inspection form was incomplete or no documentation of final inspection
  - Supporting documentation within client file varied from the documentation on the invoices submitted from the fiscal department
- (See Attachment A for detailed summary of client assistance file review)*

**Cause:** Inadequate records management practices and internal controls procedures

**Effect:** Inadequate reporting and/or records management can place the Agency in jeopardy of noncompliance to federal and state regulations which can cause reductions in the allocation of OEO federal grant funds or discontinued funding as a subgrantee of OEO federal grants.

**Criteria:** Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards register, Subtitle 200.328 Monitoring and Reporting Program Performance states "The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved.

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PIEDMONT CA, Inc.**

**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Finding Number: F 05-12 (Con't)**

In accordance to Subtitle 200.207 Specific Conditions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards register, based on the criteria set forth in the federal awarding agency review of risk posed by the recipient, the Federal awarding agency or pass-through entity may impose specific award conditions to include: requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance; requiring additional or more detailed reports; requiring additional project monitoring; requiring the non-federal entity to obtain technical or management assistance; or establishing additional prior approvals.

Subtitle 200.338 Remedies for noncompliance states, "The Federal awarding agency or pass-through entity may take one or more of the following actions, as appropriate in the circumstances: Temporarily withhold cash payments pending correction of the deficiency by the non-federal entity or more severe enforcement action by the Federal awarding agency or pass-through entity, disallow all or part of the cost of the activity or action not in compliance or wholly or partly suspend or terminate the federal award.

**Required Action:** The OEO recommends that the Agency perform a review of the ARRA WAP and WAP client assistance files to ensure appropriate documentation is maintained within the client file and in accordance to the grant requirements. Due to the results of client files reviewed, the OEO has determined that 23 out of the 25 files reviewed were noncompliant to the WAP and ARRA WAP grants requirements. The OEO may determine that a continued review of client services provided through the weatherization programs be performed. The Agency will be informed of OEO's intentions based upon the submission and review of the Agency's corrective action plan. The Agency is to submit a corrective action plan to the OEO outlining the procedures to be taken to ensure weatherization client services and appropriate documentation will be maintained within the client files and in accordance to the Weatherization Grant Agreements and Federal and State regulations.

**OFFICE OF ECONOMIC OPPORTUNITY  
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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Area of Concern Number: AOC 01-12**

**AOC Title: Personnel File Review**

**Programs Impacted: All OEO Programs**

**Condition:** A review of 22 personnel files were performed during OEO fiscal monitoring staff's on-site visit. Upon completion of the review, it was noted that several files did not contain appropriate employee documentation. A total of 13 files reviewed did not have pertinent information within the files. Attached is a detailed list of the employees whose personnel files did not contain pertinent information. (*See Attachment B – Personnel Files Review*)

**Cause:** Inadequate records management practices

**Effect:** Incomplete personnel information could place the Agency in jeopardy of non-compliance to the personnel policies and procedures established by the Agency. The Agency could also be in jeopardy of non-compliance to OEO grants in regards to appropriate records of promotions, salary increases/decreases, performance evaluations, and other personnel actions that could affect grant funds.

**Criteria:** Piedmont personnel policies and procedural guidelines, OEO grant agreements regarding program and fiscal monitoring.

**Required Action:** The OEO requires that the Agency perform a review of the personnel records to ensure that all pertinent information is maintained within the employee's file. A review will be performed by OEO's fiscal staff during the next monitoring visit to determine if the personnel files contain the appropriate information as required by the Agency's personnel policies and procedures guidelines as well as OEO grants requirements. Written correspondence is to be submitted to the OEO outlining the procedures that will be implemented to ensure all pertinent information will be included within the employees' personnel files.

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**PRELIMINARY FISCAL MONITORING REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Special Area of Interest Number: SAI 01-12**

**SAI Title:** Employee Morale and Productivity within Piedmont Community Actions, Inc.

**Programs Impacted:** All OEO Programs

**Condition:** During an interview session and various discussions with several employees of Piedmont Community Actions Agency, it was determined that some employees had concerns regarding effective management practices. Some major concerns of the staff were that upper management does not abide by the established policies and procedures guidelines of the Agency. Most employees stated that the guidelines were not enforced upon all employees. During the interview sessions and discussions with staff the following concerns were noted and deemed necessary to mention to management:

- Unfair hiring practices – Agency did not hire in accordance to the established hiring policies or in some cases job qualifications.
- Unfair management practices – Exceptions to established policies and procedures were given to selective employees. Policies did not apply to all staff.
- Lack of confidentiality regarding employee relations – Confidentiality regarding employee job related or personal concerns are not maintained. Employees are not comfortable reporting concerns to management, human resources or the Agency's board. There is an uncertainty of possible repercussions or job stability when expressing disagreements or concerns regarding management practices, work performance, or inappropriate personal or business relations.
- Lack of professional standards – Employees are instructed to follow management recommendations regardless of whether the recommendation is in accordance to the Agency's policies or programmatic established guidelines. Any challenged recommendation by management may be cause for disciplinary actions.

OEO's fiscal monitoring staff was informed by the majority of employees interviewed and through various discussions with staff throughout the Agency, that morale is low due to what they consider unfair management practices.

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FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Special Area of Interest Number: SAI 01-12 (Con't)**

**Cause:** Possible lack of communications and implementation of established policies and procedures.

**Effect:** Employee productivity and effective implementation of OEO grants may be affected by low morale within the workplace. Such effects can place the Agency in jeopardy of mismanagement of funds, ineffective job performance and/or successful provisions of client services.

**Criteria:** Piedmont Community Actions, Inc. established policies and procedures. Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards register on Internal Controls subtitle 200.303 states that non-federal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States.

**Recommendation:** Although it is not within the OEO's authority to regulate the Agency's personnel policies, the OEO requires that the Agency follow its established policies and procedures to ensure that all OEO grant funded employees receive fair and equitable job opportunities, performance evaluations and other personnel actions. The OEO is obligated to ensure that all OEO grants are effectively implemented within the federal and state guidelines. Having sufficient, qualified and productive staff can ensure effective control, accountability and implementation of grant funds. The OEO requests that the Agency submit an action plan of procedures that will be taken to ensure accountability and effective implementation of OEO grants.

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**FIELD AUDIT REPORT  
FISCAL YEARS ENDING: 12/31/12, 12/31/11, 12/31/10**

**Special Area of Interest Number: SAI 02-12**

**SAI Title:** Board Minutes Review – September 17, 2012

**Programs Impacted:** Non-OEO Program (John B. White (BI-LO) Facility)

**Condition:** During a review of the board minutes dated September 17, 2012, it was noted that the Agency was approved to accept a loan proposal from Certus Bank in the amount of \$1,100,000 to assist with the cost of construction for additions, modifications and up-fits for the John B. White (BI-LO) facility. PCA was also approved to accept a loan proposal of \$155,000 from Regions Bank for this project. However, during an on-site review of the building by Mr. Martin Brown, of the Office of Inspector General, it appeared that the building was not in operations. Because there was concern regarding the mismanagement of funds within correspondence received from a constituent that was submitted to the OEO in regards to this project, the OEO deemed it necessary to inquire about the progress of this project.

**Cause:** Unknown

**Effect:** Extensive cost to renovate a facility that is not utilized to provide administrative, programmatic, or community services of the Agency can be deemed inappropriate use of federal, state or private funds. It can be justifiable cause for Source Agencies to re-evaluate PCA's effectiveness in the administration and implementation of grant funds.

**Recommendation:** The OEO is requesting written documentation on the status of this project. Due to the extensive amount approved for the renovation of this facility, the OEO is requesting that documentation be submitted verifying the loans received and the process taken to repay the loan that ensures OEO grant funds were not used in any way in the repayment process. If the loans were not received, documentation should be submitted stating the purpose for declining the proposals to include any board minutes documenting the Agency's planned actions for this project. The OEO's interest in the project is to possibly alleviate any misconceptions of constituents as well as satisfy the concerns of the OIG and OEO.

**PIEDMONT CA, INC.  
WAP/ARRA WAP  
FYE: 12/31/12, 12/31/11, 12/31/10**

**Client Files Review Summary**

Upon completion of OEO's review of the client files tested it was determined that the Agency was noncompliant to the WAP and ARRA WAP grant program requirements due to the following:

<i>Client Name</i>	<i>Dwelling</i>	<i>Contractor</i>	<i>Contract Labor</i>	<i>Materials</i>
<ul style="list-style-type: none"> <li>Final inspection form not completed contained Client Name and Inspector's Name (Aaron Tate) but no signature, date or information.</li> </ul>				
Frances Thorne	Archibald Apts - 36A	DLM Contractors		
Clifford Boyd	Archibald Apts - 39B	DLM Contractors		
Judy E. Fowler	Limestone Courts Apts	TLAQK		
Betty J. Smith	Home	7 Star Construction		Not In File
Anna McDowell	Home	Turning Point Constr.		
Elizabeth Fullerwider	Home	TQ Contractor / Promise Land		
Jerry Smith	J C. Bull Apts - 32			
Louise Richard	Home	7 Star Construction		
Jameka Watkins	Granard Courts Apts A-3	TLAQK		
Joe Logan	Granard Courts Apts A-2	TLAQK		
Shaddrell Morris	Granard Courts Apts F-22	TLAQK		
Joanie Huskey	Granard Courts Apts J-44	TLAQK		

- No documentation located within client file (Contained WAP Assessment checklist only)

Ulysses Anderson	Frank Gooch Apts - 18	Not Documented	Not In File	Not In File
Jerry Smith	J C. Bull Apts - #32 (No client information verifying eligibility)	Not Documented	Not In File	Not In File
Thomas Brewton	J C. Bull Apts - #29 (No client information verifying eligibility)	Not Documented	Not In File	Not In File

- | <i>Client Name</i> | <i>Dwelling</i> | <i>Contractor</i> | <i>Contract Labor</i> | <i>Materials</i> |
|--------------------|-----------------|-------------------|-----------------------|------------------|
|--------------------|-----------------|-------------------|-----------------------|------------------|
- Vacant Apartment did not have any information within file identifying work completed on the apartment.

Vacant	Frank Gooch Apts - #11	Not Documented	Not In File	Not In File
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- No documentation of weathezation services provided, Contractor or Labor Cost.

Donna M. Sloan	Frank Gooch Apts - #12	Not Documented	Not In File	Not In File
Latrice Harris	Limestone Courts Apts F-25	Not Documented	Not In File	
Stacey M. Wilson	Limestone Courts Apts K-49	Not Documented	Not In File	
Angela Pendleton	Limestone Courts Apts N-65	Not Documented	Not In File	Not In File
Crystal Pendleton	Limestone Courts Apts N-66	Not Documented	Not In File	
Natasha Smith	J C. Bull Apts - #10	Not Documented	Not In File	Not In File
Jerry Smith	J C. Bull Apts - #32	Not Documented	Not In File	Not In File
Thomas Brewton	J C Bull Apts - 29	Not Documented	Not In File	Not In File

- Contractor Labor Cost is questionable compared to the materials cost reported

Anna McDowell	Home	Turning Point Construction (3 workers @ 60.00 per hr) Labor cost excludes Equip Rental of 175.00	3,065.00	56.10
Danisha Haney	Granard Courts Apts A-4	TLAQK	2,700.00	184.78

- Client Information Booklet not within file or incomplete

Elizabeth Phillips	Home (Booklet not in file)	DLM Construction		
Angela Pendleton	Limestone Courts Apts N-65 (Booklet Incomplete)	Not Documented	Not In File	Not In File
Jerry Smith	J C. Bull Apts - #32 (Booklet Incomplete)	Not Documented	Not In File	Not In File
Joe Logan	Granard Courts Apts A-2 (Booklet not in file)	TLAQK		
Shadarrell Morris	Granard Court Apts F-22 (Booklet Not In File)	TLAQK		

**ATTACHMENT B**

**PIEDMONT CA, Inc.**

Personnel File Review Summary

Date Reviewed: February 2014

Employee Name	Application	Reference Letter	Driver's License Copy	Social Security Card/I-9	Drug Test Results	Drug Free Consent	Sexual Harrassment Form	Code of Conduct	W-4 Volun. Deduct.	Terms of Empl. Notice	Termination Notice
Aaron Tate	X	X	X	X	•	X	X	X	X	•	N/A
Chadrick Robinson	X	X	X	X	•	X	X	•	X	•	N/A
William Ross	X	N/A	X	X	•	•	X	•	X	N/A	N/A
James Bond	X	X	X	X	•	•	X	•	X	•	N/A
Mark Stewart	X	X	•	•	•	X	X	•	X	X	X
Brenten Johnson	X	X	X	X	•	X	•	•	X	X	N/A
Dana Branson	X	X	•	•	•	X	X	X	X	X	N/A
Julita Chandra	X	X	X	X	•	•	•	•	X	•	N/A
Susan D. Cothran	X	X	•	•	•	X	•	•	X	•	N/A
Vanessa Davis	X	X	X	X	•	•	X	•	X	•	N/A
Alethea Dendy	X	X	•	•	•	•	•	•	X	•	N/A
Travis Canty	X	X	•	•	•	•	•	•	X	X	•
Diana M. Dill	X	X	X	X	X	•	•	•	X	•	•
Babara A. Duncan	X	X	•	•	•	X	X	•	X	•	N/A
Maurice Anthony	X	X	•	•	•	•	•	•	X	X	N/A
Bryan Byrd	X	X	•	•	•	X	•	•	•	X	X
Victor Durrah	X	X	•	•	•	X	•	•	X	•	X
Ruby Estep	•	X	•	•	X	X	•	•	X	•	X
Vickie Estep	•	•	X	X	•	X	•	•	X	•	X
Sterling Farr, Jr.	X	X	•	•	•	X	•	•	X	X	N/A
Cynthia Lounds	X	X	X	X	•	X	X	•	X	X	•
Mimi Thompson	X	X	•	X	•	•	•	•	X	•	N/A
											N/A

**Tickmark Legend**

X = Employee documentation located within personnel file

• = Employee documentation not in personnel file

N/A = Not Applicable