



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Office of Audit Services, Region VI
1100 Commerce Street, Room 632
Dallas, TX 75242

April 30, 2010

Report Number: A-06-10-00074

Vaughn Clark, Director
Oklahoma Department of Commerce
Community Development Division
900 North Stiles Avenue
Oklahoma City, OK 73104

Dear Mr. Clark:

The purpose of this letter is to notify you of our intention to audit the State of Oklahoma's Community Service Block Grants award. The objective of our audit is to determine whether Oklahoma has established adequate internal controls for assessing and monitoring of Community Services Block Grant funds provided to community action agencies (CAA) under the American Recovery and Reinvestment Act of 2009. This audit is part of the U.S. Department of Health & Human Services (HHS), Office of Inspector General (OIG), nationwide review of Community Service Block Grant awards.

OIG performs independent reviews of HHS programs pursuant to the Inspector General Act of 1978 (the Act), 5 U.S.C. App. § 4(a)(1). Section 6(a)(1) of the Act (5 U.S.C. App. § 6(a)(1)) authorizes OIG "... to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to HHS which relate to programs and operations with respect to which the Inspector General has responsibilities under this Act." Pursuant to 45 CFR § 92.42(e), OIG has the right of access to any books, documents, papers, or other records that are pertinent to the Federal grant to make audits, examinations, excerpts, and transcripts.

To expedite completion of our work, we request that you have the documents listed in the enclosure to this letter by May 10, 2010. During our audit, we may also need access to additional documents and records. Further, we request that a room with an analog telephone line to connect computers to our network be made available for four auditors starting work on May 10, 2010. We appreciate your cooperation in this matter and will make every reasonable effort to minimize any disruption to the work of your office.

When transmitting any audit information to OAS over the Internet, please properly safeguard the information. We request that you use the HHS/OIG Delivery Server, not email or attachments to email. Information transmitted through the HHS/OIG Delivery Server complies with Federal Information Processing Standard (FIPS) 140-2, *Security Requirements for Cryptographic Module*. At the entrance conference, we will discuss authorizing your staff to use the HHS/OIG Delivery Server and give you instructions in its use.

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We are required to report as a security breach any audit information sent to us that does not meet FIPS 140-2 requirements.

This audit will be performed under my direction. As arranged by Mr. Todd Johnson, we plan to hold an entrance conference on May 10, 2010 at 3:00 p.m.

If you have any questions or concerns about our review, please contact Mr. Todd Johnson, Senior Auditor, at (817) 685-2450, extension 234, or Ms. Sylvie Witten, Audit Manager, at (512) 339-3071 extension 222. Please refer to report number A-06-10-00074 in all correspondence. Thank you for your attention to this matter.

Sincerely,



Patricia Wheeler
Regional Inspector General
for Audit Services

Enclosure

Enclosure

DOCUMENTATION REQUEST FOR REVIEW

1. Policies and procedures related to oversight of the CSBG program, and to the Recovery Act.
2. Approved State Recovery Act Plan.
3. For each CAA:
 - a. The date of the most recent triennial review completed by the State.
 - b. Supporting documentation for the State's most recent review.
 - c. The most recent independent audit report.
4. The amounts obligated by the State for each CAA and the amounts spent by each CAA, as of May 1, 2010.
5. Risk assessments completed by each CAA.
6. The names and circumstances of any CAAs that have asked the State to forgive outstanding debt.
7. A listing of any CAAs under Federal investigation.
8. The date the State received initial Recovery Act funding.
9. Formulas used to distribute regular and Recovery Act CSBG funds.
10. Funding levels for the Weatherization Program for FY 2008 through FY 2010.
11. Organizational Chart for Department of Commerce.
12. List of personnel allocated to CSBG.
13. Number of eligible people for CSBG and number of people served by CSBG.
14. Quarterly reports of expenditures and activities at the State level for CSBG ARRA funds.
15. Fiscal Year 2009 Independent Audit Report for the Department of Commerce.