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**APPALACHIAN REGIONAL COMMISSION  
OFFICE OF INSPECTOR GENERAL**

**AUDIT OF GRANT AWARD**

**Marshall University Research Corporation  
Huntington, West Virginia**

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**Final Report Number: 13-29  
Project Number: WV-17149  
July 2013**

**Prepared by  
Leon Snead & Company, P.C.**



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July 12, 2013

Appalachian Regional Commission  
Office of the Inspector General  
1666 Connecticut Avenue, N.W.  
Washington, D.C. 20009

Leon Snead & Company, P.C. has completed an audit of grant number WV-17149 awarded by the Appalachian Regional Commission (ARC) to Marshall University Research Corporation (MURC). The audit was performed at the request of the Office of the Inspector General.

The primary objectives of the audit were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant terms and requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines and best practices, including program (internal) controls, were appropriate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); and (5) the goals and objectives of the grant were met.

Overall, MURC's financial management and administrative procedures and related internal controls were adequate to manage the funds provided under the ARC grant. The costs tested were considered reasonable and adequately documented. The grant's final progress report indicates that MURC was successful in accomplishing its project goals. The report indicated that all project goals were exceeded. The audit results were discussed with officials of the grantee at the conclusion of the onsite field work. Also, we provided a copy of the report to the Associate Executive Director for review and comments. The response indicated concurrence with the review results.

Leon Snead & Company appreciates the cooperation and assistance received from MURC and ARC staffs during the audit.

Sincerely,

*Leon Snead & Company, P.C.*  
Leon Snead & Company, P. C.

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## **Background**

Leon Snead & Company, P.C. completed an audit of grant number WV-17149 awarded by the Appalachian Regional Commission (ARC) to the Marshall University Research Corporation (MURC). The audit was made at the request of the ARC, Office of the Inspector General, to assist the office in its oversight of ARC grant funds.

MURC is a not-for-profit corporation chartered under laws of the State of West Virginia. MURC is involved in providing the following professional services to members of the Marshall University community: pre-award grant/contract development, research integrity, technology transfer/business development, and research and economic development news.

The ARC grant award provided funding to MURC for an expanded effort to establish school-community oral health partnerships in West Virginia. The program was initially funded by ARC in 2009 in conjunction with the Benedum Foundation. The agreement indicates that continued assistance from ARC and Benedum, MURC would expand this effort to ten more community groups and would continue expanding its surveillance system. Selected groups were to receive mini-grants ranging from \$5,000 to \$22,000 for costs related to start-up expenses such as supplies and equipment. The agreement further indicates that the MURC staff was to provide all new and existing groups with support, technical assistance and evaluation of the local partnerships, using a statewide conference, field visits, and conference calls.

The grant provided \$150,000 in ARC funds and required non-federal matching contributions of \$116,400. The grant was initially awarded to provide funding for the period July 1, 2011 through September 30, 2012, but was extended to December 31, 2012. Although the final reports had been submitted at the time of the audit, the grant had not been closed.

## **Objectives, Scope & Methodology**

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and federal grant terms and requirements; (2) grant funds were expended as provided for in the approved budget; (3) internal grant guidelines and best practices, including program (internal) controls, were appropriate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); and (5) the goals and objectives of the grant were met.

We reviewed the documentation provided and interviewed MURC personnel to obtain an overall understanding of the grant activities, the accounting system, and the operating procedures. We selected for testing a sample of \$147,158 in expenditures charged to the project to determine whether the charges were properly supported and allowable. We focused the testing on expenditures for the period July 1, 2011 through December 31, 2012. The total reported expenditures for that period were \$264,519. We reviewed MURC's administrative procedures and related internal controls to determine if they were adequate to administer the grant funds. In addition, we reviewed the most recent financial statements audit report (including the related

report on internal controls) to determine whether there were any issues that impacted the ARC grant.

As a basis for determining whether the costs charged to the grant were allowable and whether MURC had complied with the applicable Federal requirements, we used the provisions of the grant agreement, applicable Office of Management and Budget Circulars, and the ARC Code. The review was performed in accordance with the *Government Auditing Standards*. The fieldwork was performed during the period of May 13-15, 2013, including on-site work at MURC's office in Huntington, West Virginia. The audit results were discussed with the MURC representatives at the conclusion of the on-site visit.

## **Results of Audit**

Overall, MURC's financial management and administrative procedures and related internal controls were adequate to manage the funds provided under the ARC grant reviewed. The costs tested were supported and considered reasonable. Also, the final progress report indicated that all of the project goals were exceeded as noted below.

- Five school-community partnerships were to be funded - with matching funds, an additional 10 school-community partnerships were funded.
- 3,800 students were to be provided with sealants, exams, and/or restorative care - 8,158 students were provided with sealants, exams, and/or restorative care.
- 1,500 students without a dental home were to be referred to a local dentist for continuity of oral health care - 4,275 students without a dental home were referred to a local dentist for continuity of oral health care.
- One new grantee workshop was to be held to ensure competent oral health screening skills and training in using the web-based data management system - three new grantee workshops were held along with four all-grantee workshops to ensure competent oral health screening skills and training in using the web-based data management system.
- Five school-community partnerships were to report data on the web-based data management system at least once a year for two consecutive years - 14 school-community partnerships report data on the web-based data management system at least once a year for two consecutive years.
- 400 eligible students were to have sealants applied - 2,117 of the eligible students had sealants applied.
- 2,000 students with dental problems were to be referred for further evaluation and/or treatment - 3,495 students with dental problems were referred for further evaluation and/or treatment, of which 125 were identified as needing urgent care within 24 hours due to pain, swelling and infection.

In addition, the reports indicated that the project staff has presented and discussed aspects of the project at several National conferences and at the state and local level. In December 2011, the project staff was asked to attend a West Virginia Legislature committee meeting that focused on oral health and advancing oral health from a policy perspective. The successes of this project were recognized as a best practice. This best practice was then taken up by both the State's House and Senate to explore possible policy changes to strengthen school-community oral health

services. During the Legislature session, a bill was introduced and passed that expanded the scope of dental hygienists practicing in a school-based setting. The project staff was requested to testify on the House and Senate floors as to what passage would mean for this project. The bill signed into law by the governor allows public health dental hygienists working in a school setting to apply dental sealants without a prior examination by a dentist. The report indicated that this scope change has the potential to drastically increase the number of West Virginia children receiving preventive services.

The reports also indicated that MURC's online data entry system that allows data to be collected in real time with ease by grantees has received national attention from the dental community. The use of this tool has given the West Virginia Department of Health and Human Resources (DHHR) the resources to pursue and complete statewide baseline oral health surveillance. The reports indicated that DHHR feels so strongly about the tool that it has submitted a grant proposal that, if funded, will allow the tool to become a statewide product used by the state for oral health data collection.

**From:** Ciccarello, Joseph [ciccarello@marshall.edu]  
**Sent:** Tuesday, July 09, 2013 9:27 AM  
**To:** Leon Snead & Company  
**Subject:** RE: Audit Report of grant WV-17149

Mr. Snead,

My apologies for the delay in response and to your earlier phone call. I have reviewed the contents of the draft report, and take no issue with the content contained therein.

Thanks very much and if you have any questions, please let me know.

joe

**Joe Ciccarello**  
**Assoc. Executive Director**  
**Director, Grants & Contracts**  
**Marshall University Research Corporation**  
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**From:** Leon Snead & Company [mailto:leonsnead.companypc@erols.com]  
**Sent:** Wednesday, June 26, 2013 4:12 PM  
**To:** Ciccarello, Joseph  
**Subject:** Audit Report of grant WV-17149

Mr. Ciccarello:

Attached is a copy of our draft report on the subject grant for your review and comments. If you have comments please provide them by July 3, 2013. Thank you

Leon Snead  
Leon Snead & Company, P.C.  
301-738-8190