



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

# **The Chicago Horticultural Society Should Improve Its Financial Management System to Receive Federal Funds**

**This is a revised version of the report prepared for public release.**



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**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

APR 28 2020

To: Eric Pagal  
Procurement Chief, Bureau of Land Management

From: Chris Stubbs *Chris Stubbs*  
Director, Financial and Contract Audits

Subject: Reissuance of Final Report – The Chicago Horticultural Society Should Improve Its Financial Management System to Receive Federal Funds  
Report No. 2017-FIN-053

This is a corrected final report of our audit of costs claimed by the Chicago Horticultural Society (CHS) under Grant No. L15AC00032 with the Bureau of Land Management (BLM). Attachment 1 provides our scope and methodology.

A recent peer review found that we had originally miscalculated the questioned costs for the CHS' process for hiring interns (see "Failure to Follow Public Land Corps Act Regulations When Hiring Interns" on page 4). We originally questioned \$189,902 of interim salaries, and the peer review found we should have included travel and housing stipend costs associated with the seven ineligible interns. The new questioned cost total of \$208,570 includes a more accurate reflection of actual labor costs (intern wages, benefits, indirect costs, and recruiting program costs), housing stipends, and travel costs. This is the only finding that has been revised in this reissued report.

The objective of our audit was to determine whether the interim costs claimed by the CHS between May 1, 2015, and August 31, 2017, were allowable and allocable and complied with applicable Federal regulations, BLM policies and procedures, and contract terms and conditions.

Including the revised amount, we identified questioned costs totaling \$549,205 that were not allowable and allocable. We issued six Notices of Findings and Recommendations (NFRs) to the CHS at the end of our fieldwork and offered 13 recommendations to the CHS to address the deficiencies. Based on the CHS' responses to our NFRs, we revised our recommendations, and in this final report, we offer 10 recommendations to improve the CHS' compliance with applicable Federal regulations, BLM policies and procedures, and contract terms and conditions.

## **Background**

The Disaster Relief Appropriations Act of 2013 appropriated \$786.7 million to the U.S. Department of the Interior (DOI) in part to restore and rebuild national parks, national wildlife refuges, and other Federal public assets and to increase the resilience and capacity of coastal habitat and infrastructure to withstand storms and reduce damage caused by them. To help fulfill these objectives, the BLM established the Seeds of Success East program—the first large-scale, coordinated seed banking effort in the eastern United States.

Under the Seeds of Success East program, the BLM awarded a \$3,114,325 grant to the CHS for the collection and banking of seeds. The CHS then sub-awarded the work to collect and bank the seeds to three entities: the New England Wild Flower Society, the North Carolina Botanical Garden, and the Mid-Atlantic Regional Seed Bank (part of the New York City Department of Parks and Recreation). During the period of award, the BLM increased the project amount to \$3,624,191. Federal regulations require that the BLM fund no more than 75 percent of the project's costs, leaving the CHS to contribute the remaining 25 percent as cost share. Using the grant funds, these organizations collected seeds from native plants to restore a variety of coastal and inland habitats that had been damaged by Hurricane Sandy in 2012. Much of the vegetation in these areas had been inundated by salt water, smothered by sand, or washed out to sea by the storm.

## **Findings**

We found the CHS did not comply with many of the applicable Federal regulations, BLM policies and procedures, and contract terms and conditions. Specifically, we identified the following deficiencies:

- Inadequate oversight of subaward recipients
- Failure to follow Federal regulations when hiring interns
- Ineligible payroll and training costs
- Unapproved changes to the budget
- Unsupported intern recruitment costs
- Inaccuracies in the CHS accounting system

These deficiencies occurred because CHS had a loss of institutional knowledge, misunderstood which BLM employees could authorize changes to the agreement, and disregarded a requirement. We also questioned a total of \$549,205 of the costs claimed.

## *Inadequate Oversight of Subaward Recipients—Questioned Costs of \$218,212*

### CHS Did Not Require Subawardees To Document Costs Before Reimbursement—\$216,087

The CHS did not require its subawardees to provide support for any of the invoices submitted for payment. Even though Federal regulations require that all grant charges be adequately documented (2 C.F.R. 200.403(g)) and that documentation be provided in a timely manner (2 C.F.R. 200.336(a)), the CHS was unable to provide any support for expenditures that we selected for testing from the subawards to the Mid-Atlantic Regional Seed Bank (MARS-B) and the New England Wild Flower Society (NEWFS) throughout the entirety of the audit and only provided limited support for North Carolina Botanical Garden (NCBG).

- MARS-B: In response to the NFRs we sent to the CHS, the CHS provided some support for costs associated with MARS-B, but MARS-B failed to provide enough support to clear all costs. In one instance, an individual authorized his own payment voucher for \$1,665 and in five instances there was no proof of payment to individuals provided for \$8,264.
- NEWFS: The CHS told us it was unable to provide any support for the NEWFS because the documentation that was provided to it by the NEWFS was disorganized and would take several months to process. We therefore questioned the full amount of \$108,653 for the NEWFS as unsupported costs.
- NCBG: The CHS sent support from the NCBG in response to our NFRs, but it did not sufficiently document \$84,648 in payroll costs, \$160 for unallowable room rates, and \$12,697 of unallowable indirect costs. For example, the support did not clarify hours worked, rates of pay per hour, or what deductions were removed.

### Overcharge of Indirect Costs by Subawardee—\$2,125

The CHS management did not obtain an approved indirect cost rate for any of the subrecipients (for description of indirect costs, see the finding titled “Improper Indirect Cost Base Used” on page 6) prior to award. Federal regulations (2 C.F.R. § 200.331(a)(4)) require the subawardee to have “an approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient, or a de minimis indirect cost rate.”

The MARS-B did not require a rate letter as it opted to accept the 10 percent de minimis rate. The NCBG had an approved indirect cost rate, but the CHS did not get a copy until we brought it to the CHS’ attention. The NEWFS charged an unapproved ■ percent indirect cost rate; therefore, we questioned \$2,125 as unallowable for the difference between the two rates.

*Failure To Follow Public Land Corps Act Regulations When Hiring Interns—Questioned Costs of \$208,570*

The CHS claimed \$208,570 in expenses for interns who were older than the allowed age limit in the Public Land Corps Act of 1993. The Act and grant agreement require the CHS to hire interns aged 16 to 25; we found, however, that 7 of the 33 interns hired were older than 25 years (16 U.S.C. § 1723). We asked CHS officials why they failed to follow the intern age limit. They said they were unaware they employed interns outside of the required age limit. They also told us the CHS did not have a mechanism in its internal controls that disqualified candidates because of age but has since created one to ensure interns are within the age limits. During another interview, the same CHS officials told us that the age limit made it difficult to find and hire qualified candidates, and they admitted that they knowingly hired interns outside the age limit because they were unable to find qualified candidates.

In addition, a BLM program manager told us the CHS found the public law confusing because in 2016 the age range changed to 16 through 30 (inclusive) and the CHS was unsure whether the change would affect its program. Of the seven interns hired who were over the age limit, however, four were older than 30; therefore, the CHS still violated the regulation. In total, the CHS claimed \$██████ in wages, \$██████ in benefits, \$██████ in indirect charges, \$██████ in “recruitment” program costs, \$██████ in housing stipends, and \$██████ in travel for the seven ineligible interns.

*Unallowable Payroll and Training Costs—Questioned Costs of \$100,090*

Unallowable Payroll Costs—\$75,547

The CHS provided us payroll documentation for administrative employee labor hours charged to the grant that were estimated labor hours rather than actual hours worked. Federal regulations state that costs charged to Federal awards must be adequately supported, and labor estimates determined before services are performed do not qualify as support for payroll charges (2 C.F.R. §§ 200.403(g) and 200.430(i)(1)(viii)). The CHS does not directly charge any of its administrative employees to the grant agreement; instead, it uses a cost allocation system—Effort Allocation Reporting System—that applies a fixed percentage of the employee’s full salary to the CLM Internship Program, which the CHS then allocates to each project, including this one. Hence, a fixed percentage of the employee’s salary is charged to the agreement regardless of how many hours the employee spends working on agreement tasks. Because the CHS used estimated hours instead of actual hours worked, we question \$75,547 in payroll costs.

Unallowable Intern Training Costs—\$24,543

The CHS claimed \$24,543 in training costs for interns who did not attend a training event. This amount reflects the costs that were claimed from May 2015 to August 2017, the scope of our audit. Because many interns in the CLM programs attend the same training, the CHS charged the same amount to all CLM projects per intern hour for all CLM interns, including the interns working on this agreement. The charges for the training are commingled with other CLM program costs and are directly allocated by intern hour. When we told the CHS

about the mischarge, it stated that it reduced the amount drawn down from the account to compensate for the mischarge.

#### *Unapproved Changes to the Budget—Questioned Costs of \$21,224*

##### Improper Cost Share Calculation—\$9,760

The CHS used labor and fringe-benefit costs as part of its cost share even though the BLM did not approve it in the grant agreement's budget. Federal regulations require that the CHS provide 25 percent of the project's total cost, also known as cost share (16 U.S.C. § 1729 Funding). Both Federal regulations and the terms and conditions of the award state that the grantee is required to receive approval to make changes to its cost share (2 C.F.R. § 200.308(c)(7)). The CHS said it did not request such approval because it did not think it was required. Without consenting to the CHS' use of labor and fringe-benefit costs as part of its matching share, the BLM cannot effectively oversee grant costs.

##### CHS Paid for Unapproved Travel—\$6,864

The CHS paid \$6,864 for its senior director's and consultants' travel expenses that were not included in the approved grant budget, which only included travel estimates for the curator and for interns. The CHS stated that this travel was approved by the BLM program office, but the grant agreement and the award letter provided to the CHS by the BLM grants management office (GMO) clarified that changes to the budget could only be approved by the BLM GMO. As a result, the GMO was unaware of the additional travel and was unable to determine whether the cost was reasonable.

##### CHS Paid an Unauthorized Contractor—\$4,600

The grant budget authorized the CHS to subaward work to three contractors, but the CHS paid \$4,600 to a fourth contractor that had not been authorized by the BLM GMO. Although the CHS stated that the GMO's authorization was not required to hire a fourth contractor, Federal regulations do require GMO approval for hiring a contractor, regardless of the cost (2 C.F.R. 200.308(c)(6)). As a result, the GMO was unaware of the hiring and was unable to determine whether the cost was reasonable and the hiring appropriate.

#### *Unsupported CLM Internship Program Recruitment Costs—Questioned Costs of \$1,109*

The CHS did not provide support for any of the \$1,109 in CLM Internship Program costs (which are, in this case, recruitment costs that include such items as advertisements and program flyers) charged to the grant for calendar years 2015 and 2017. The CHS provided support for 2016 and there were no questioned costs associated with that year, but Federal regulations require that all grant charges be adequately supported (2 C.F.R. §§ 200.403(g)).

## *Inaccuracies in the CHS Accounting System*

### Timekeeping System for Interns Does Not Provide Reasonable Assurance of Accuracy Before Payroll Disbursement

The CHS did not provide reasonable assurance that intern timesheets accurately reflected the hours claimed before payment. Interns submit timesheets electronically to the CHS and for supervisors' review for discrepancies, but there is no step in the CHS' payroll procedure requiring an electronic signature from the supervisor to confirm the accuracy of time charged. Federal regulations require that "charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed" and can "be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated" (2 C.F.R. § 200.430(I)(1)(i)). As a result, we were unable to determine whether the hours claimed by the interns were accurate. Because significant costs associated with this agreement depend on the hours claimed by the interns (the CHS charges the CLM program costs, CLM management costs, intern wages and benefits, and a portion of the indirect costs per intern hour), it is imperative that the hours claimed by the interns be accurately reflected.

### Improper Indirect Cost Base Used

At the beginning of the audit, we determined that the CHS used an incorrect base when calculating indirect costs; hence, it overcharged its indirect costs to the grant agreement. The CHS can charge a percentage of costs that are related to the agreement to pay for indirect costs that cannot be directly charged. Federal regulations and the agreement allow the CHS to include all direct costs, less capital expenditures, in the indirect cost base calculation, including up to the first \$25,000 charged under each subaward (2 C.F.R. § 200, Appendix III(C)(2)). The CHS, however, included all direct costs in its indirect cost base, including all subawardee costs, which led to an overstatement of \$224,977 in indirect costs. The CHS was unable to explain how this happened because the employee who set up the calculation in the system left the organization. Although the CHS corrected the calculation and submitted to the BLM an updated Standard Form 425 (SF-425), the Federal Financial Report, the CHS' inability to explain how the miscalculation occurred indicates that the same or similar problems could occur again.

### Inaccurate Budget Submission

Because the CHS claimed costs on multiple occasions that were not reflected in the approved budget, the BLM requested that the CHS submit a revised budget, which the CHS did in February 2018. The new, detailed budget should have incorporated all costs already incurred along with proposed future costs for the rest of the grant agreement. The new budget stated that BLM's portion of the costs would be \$2,717,810 and projected CHS' share of the cost to be \$798,975. The BLM is only allowed to provide 75 percent of the project's total cost, so the CHS' required portion would have to be \$905,937 (16 U.S.C. § 1729). As indicated in the budget, the CHS would only be providing 22 percent of the cost, \$106,962 below the required amount. In addition, according to the CHS' accounting system, the CHS charged and received compensation for \$1,315 in travel costs for the curator that it did not include in the revised budget.

CHS officials told us that they did not know why the calculations were off and that the individual who revised the budget left the organization. Because of the miscalculation of the cost share and the misrepresentation of actual costs claimed, the revision submitted to the BLM did not provide an accurate depiction of the budget. Without a correct budget, the BLM will not be able to effectively oversee the costs to the grant agreement.

## **Conclusion and Recommendations**

We found \$549,205 (see Attachment 2) in questioned costs. The CHS' accounting system and procedures are not able to manage Federal funds. Specifically, the CHS did not have proper oversight of subaward recipients, failed to follow regulations when hiring interns, claimed employee payroll based on estimated hours worked, claimed unapproved and unallowable costs on the budget, was unable to support program costs, applied an inaccurate indirect cost base when calculating indirect costs, could not provide reasonable assurance for intern timesheets, and submitted an incomplete and inaccurate budget to BLM.

We recommend that the BLM:

1. Resolve the questioned costs of \$549,205
2. Determine whether the CHS requires its subawardees to submit invoices quarterly and new subaward organizations to submit supporting documentation with reimbursement requests
3. Assist the CHS to develop a procedure that requires it to obtain indirect cost rate letters or negotiate an indirect rate with subawardees prior to award
4. Monitor internships to confirm they are only provided to individuals aged 16 through 30
5. Confirm the CHS corrected the Effort Allocation and Reporting System to track the actual hours its administrative employees work on the CLM programs and correctly charge the grant agreement
6. Determine if the CHS has created a step in its financial system to ensure that interns are not automatically charged for training, regardless of their attendance
7. Confirm that the CHS created a step to obtain proper approvals when revising its match calculation
8. Confirm that the CHS created a step to obtain proper approvals when revising its budget after incurring additional travel expenses and when hiring new contractors
9. Determine if the CHS created a step in the intern timekeeping system that provides reasonable assurance that the time claimed is accurate before payroll is disbursed
10. Help the CHS resolve the inaccuracies of the revised budget

Based on the responses received from CHS (see Attachment 3), we determined that 4 of our 10 recommendations have been resolved and 2 of those 4 have been implemented (see Attachment 4).

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

If you have any questions regarding this report, please call me at 202-208-5745.

Attachments (4)

## Scope and Methodology

Our audit scope included \$3,007,933 in costs claimed by the Chicago Horticultural Society (CHS) under Grant No. L15AC00032, provided by the Bureau of Land Management (BLM). We reviewed transactions charged to the grant from its effective date of May 1, 2015, to August 31, 2017. Our review tested internal controls and assessed CHS' compliance with Federal regulations, BLM policies and procedures, and grant terms and conditions.

We conducted our audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

To accomplish our audit objectives, we:

- Reviewed Federal grant regulations, BLM policies and procedures, the terms and conditions for grant L15AC00032, and the CHS' policies and procedures
- Gained an understanding of the CHS' internal controls over payroll processing, purchasing, program management, drawdown of Federal funds, and subawardee oversight
- Interviewed key officials, including the BLM grant officer, BLM program manager, and CHS staff
- Reviewed the CHS' documentation supporting compliance with criteria regarding payroll, drawdowns, and purchases
- Reviewed the Code of Federal Regulations pertaining to claimed costs
- Verified that the CHS drew down Federal funds in accordance with appropriate regulations and the grant terms and conditions
- Reviewed the CHS' *Fiscal Year 2016 Office of Management and Budget Single Audit Report*
- Conducted a site visit to the CHS office in Glencoe, IL

The CHS provided us with a computer-generated ledger and support for the Standard Form 425 (SF-425), Federal Financial Report. To test the veracity of the computer-generated documentation provided, we performed several analytical tests on the data. We compared the general ledger to the SF-425 to verify if the amounts represented captured all agreement costs. We used the computer-generated data to test labor costs, other direct costs, and drawdowns.

We also evaluated the internal controls over transactions recorded in the CHS' accounting and payroll systems and tested their operation and reliability. We did not project the results of the tests to the total population of recorded transactions.

To perform our test, we selected a judgmental sample of 135 expenditures and 15 subawardee invoices (5 from each subawardee) that the CHS had submitted to the BLM for payment under the grant. These expenditures totaled \$428,688 and represented 19 percent of all costs charged to the grant (excluding the CHS cost share). We asked CHS officials to provide us with supporting documentation to demonstrate that the costs were allowable and allocable. The documentation provided included invoices, timesheets, direct allocation computations, receipts, and travel vouchers.

**Monetary Impact of Questioned Costs for Grant No. L15AC00032**

| <b>Reason</b>   | <b>Questioned Costs</b> |
|---|-------------------------|
| Inadequate support provided for subawardees                     | \$216,087               |
| Interns hired outside Public Law requirements                   | 208,570                 |
| Unallowable payroll costs: estimated hours used as actual costs | 75,547                  |
| Cost for training not attended                                  | 24,543                  |
| Improper cost share calculation                                 | 9,760                   |
| Travel not in the approved grant budget                         | 6,864                   |
| Contractor not in the approved grant budget                     | 4,600                   |
| Overcharge of indirect costs by subawardee                      | 2,125                   |
| Unsupported Conservation and Land Management program costs      | 1,109                   |
| <b>Total questioned costs</b>                                   | <b>\$549,205</b>        |

## Recommendations, CHS Management Responses, and OIG Replies

We recommend that the Bureau of Land Management (BLM) work with Chicago Horticultural Society (CHS) to:

### 1. Resolve the questioned costs of \$549,205

*CHS Response:*

The CHS concurred with \$26,668 in questioned costs, the costs associated with the overcharge of indirect costs by subawardees and the costs associated with the inappropriately charged intern training costs. The CHS did not concur with any other questioned costs.

*OIG Reply:*

We consider this recommendation unresolved and unimplemented.

### 2. Determine whether the CHS requires its subawardees to submit invoices quarterly and new subaward organizations to submit supporting documentation with reimbursement requests

*CHS Response:*

While the CHS did not concur with this finding, it did say that going forward it will require its subawardees to submit invoices quarterly and new subawardees to submit supporting documentation with reimbursement requests.

*OIG Reply:*

We consider this recommendation resolved and implemented.

### 3. Assist the CHS to develop a procedure that requires it to obtain indirect cost rate letters or negotiate an indirect rate with subawardees prior to award

*CHS Response:*

The CHS partially concurred with this finding, stating that it obtained one indirect cost approval letter for one subawardee and that a second subawardee claimed the 10 percent de minimis rate per Federal regulations. The CHS concurred that it did not obtain an indirect cost approval letter from the New England Wild Flower Society, which claimed more than the allowable rate without an approval letter. The CHS claimed a refund is due to the BLM for the difference between de minimis rate and the rate charged, and that the CHS had not drawn down funds for expenses incurred to provide this refund.

*OIG Reply:*

The CHS did not obtain the indirect cost rate letters prior to this audit as it should have per Federal regulations, which resulted in an overcharge to the grant by one subawardee. Because the CHS did not mention how it intends to ensure that it obtains indirect cost rate letters from all its subawardees in the future, we consider this recommendation resolved but unimplemented.

**4. Monitor internships to confirm they are only provided to individuals aged 16 through 30**

*CHS Response:*

The CHS did not concur with this finding, stating that it had been aware of the age requirement and did not find it confusing. The CHS told us, “There were a few situations that resulted in the hiring of interns over 25,” noting that six of the seven were hired because there were no qualified applicants within the age range left to hire and that the seventh was hired accidentally. The CHS stated that it needed to hire interns over the age limit to accomplish the seed collection objective. The CHS placed a control on future applicants and communicated with agency contracts that all interns hired must be within the age restrictions with no exceptions.

*OIG Reply:*

The CHS management disregarded the grant agreement’s age requirement to meet the grant’s seed collection requirement. It is not appropriate to ignore part of an agreement to satisfy another part. The Public Land Corps Act approves funding for the grant specifically to provide youth with employment opportunities, not to collect seeds. Though the CHS stated that it has new controls in place to ensure it will not happen again, it did not share with us what those new controls are, so we consider this recommendation resolved but unimplemented.

**5. Confirm the CHS corrected the Effort Allocation and Reporting System (EARS) to track the actual hours its administrative employees work on the CLM programs and correctly charge the grant agreement**

*CHS Response:*

The CHS did not concur with this finding, stating that the report generated by the EARS is based on actual hours worked by management. The CHS recognized that the annual reconciliation and return of overages must be performed on a timelier basis, and it has taken steps to evaluate and improve the process of budgeting.

*OIG Reply:*

Since the EARS report applies a fixed percentage of all hours worked by management, those costs are still estimates and not actual hours spent on work under the grant agreement. The CHS’ response regarding the annual reconciliation and taking steps to be timelier with the return of overages is not related to this finding. Reconciliation is a normal part of the accounting process but is not related to the CHS’ unallowable use of estimated hours worked by management. We consider this recommendation unresolved and unimplemented.

**6. Determine if the CHS has created a step in its financial system to ensure that the agreement is not automatically charged for intern training costs, regardless of their attendance**

*CHS Response:*

The CHS did not concur with this finding. It did not attribute the oversight to a system failure, but rather to a misunderstanding of the attendance policy for the annual CLM workshop. The CHS also stated that it does not believe the questioned costs should be included in the finding as it has returned the funds to the BLM by way of drawing less from BLM for incurred expenses.

*OIG Response:*

We do not agree that this was a simple misunderstanding of the attendance policy. Because the costs are directly allocated per intern hour regardless of who attends, we maintain that this error occurred because of the arrangement of the financial management system and disbursement of the direct allocations. We consider this recommendation unresolved and unimplemented.

**7. Confirm that the CHS created a step to obtain proper approvals when revising its match calculation**

*CHS Response:*

The CHS did not concur with this finding on ineligible costs. The CHS maintained that it was not improper to include these costs in its cost share calculation but plans to work with the BLM to determine whether it was appropriate.

*OIG Reply:*

Federal regulations are clear that any deviation from the approved match must be approved by the agency (BLM) and that the agreement requires approval from the Grants Management Office (GMO) for the change. We consider this recommendation unresolved and unimplemented.

**8. Confirm that the CHS created a step to obtain proper approvals when revising its budget after incurring additional travel expenses and when hiring new contractors**

*CHS Response:*

In reference to the unapproved additional travel expenses, the CHS did not concur, reiterating that the BLM program office requested that the CHS senior director and the contractors travel. The CHS did not concur with the finding that it is required to obtain approval when hiring a new contractor. Because the deviation is not greater than 10 percent of the contract total and a change in scope or objective had not been made, the CHS reasoned that it did not require approval modification to hire an additional contractor.

*OIG Reply:*

Only the BLM GMO may approve changes to the budget and, regardless of the cost, Federal regulations state that contracted work under a Federal award must be preapproved. We consider this recommendation unresolved and unimplemented.

**9. Determine if the CHS created a step in the intern timekeeping system that provides reasonable assurance that the time claimed is accurate before payroll is disbursed**

*CHS Response:*

While the CHS did not concur with this finding, it did state that it has implemented an additional process to provide the signature of the interns' supervisor on the intern timesheet.

*OIG Reply:*

Since the CHS is in the process of correcting this discrepancy, we are not questioning costs associated with this finding. We consider this recommendation resolved and implemented.

**10. Help the CHS resolve the inaccuracies of the revised budget**

*CHS Response:*

The CHS did not concur with this finding, stating that it had included actual expenditures and actual cost share calculations as of December 2017. The CHS also said it will work with BLM to determine whether the changes made to the budget were appropriate.

*OIG Reply:*

It is inaccurate for the CHS to state that it included actual expenditures and actual cost share information. As stated in the finding, the cost share information indicates that CHS would only pay 22 percent of project costs. In addition, CHS did not include the \$1,315 in travel costs in the revised budget. We consider this recommendation unresolved and unimplemented.

### Status of Recommendations

In response to our findings, the Chicago Horticultural Society did not concur with any of our recommendations provided in this report.

| <b>Recommendations</b> | <b>Status</b>                | <b>Action Required</b>  |
|------------------------|------------------------------|---|
| 1,5,6,7,8,10           | Unresolved and unimplemented | We will refer this recommendation to the Assistant Secretary for Policy, Management, and Budget for resolution.             |
| 3,4                    | Resolved but unimplemented   | We will refer this recommendation to the Assistant Secretary for Policy, Management and Budget for tracking implementation. |
| 2,9                    | Resolved and implemented     | No action is required.  |

