



ARRA REPORT BY THE  
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2009-10-0220

October 15, 2009

ARRA REVIEW OF IAC NEA

*Indiana Office of Inspector General Staff Attorney Todd Shumaker and State Examiner Bruce A. Hartman of the Indiana State Board of Accounts report as follows:*

This report addresses an evaluation of the funding for the Indiana Arts Commission's (IAC)<sup>1</sup> National Endowment for the Arts (NEA)<sup>2</sup> award.

The NEA is an independent federal agency established by Congress in 1965 with the purpose of supporting excellence in the arts, funding the arts across the nation and providing leadership in arts education.

On February 17, 2009, the United States Government enacted the American Recovery and Reinvestment Act (ARRA). The ARRA intends to provide a stimulus to the United States economy by providing \$787 billion in

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<sup>1</sup> IC 4-23-2-2 *et seq* establishes the authority of the Indiana Arts Commission to stimulate and encourage public interest and participation in the performing and fine arts throughout the State of Indiana. These responsibilities include receiving and disbursing federal funds in furtherance of these objectives.

<sup>2</sup> The Indiana Arts Commission is established in IC 4-23-2-1.

program funding and tax credits.<sup>3</sup>

The purpose of this report is to document a preliminary ARRA compliance review of the IAC NEA by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

## I

To date, IAC has been awarded \$323,000 for use through June 30, 2010, to distribute direct grants to fund arts projects and activities which preserve jobs in the nonprofit arts section threatened by declines in philanthropic and other support during the economic downturn.

## II

The OIG's enabling statute provides that the OIG "is responsible for addressing fraud, waste, abuse and wrongdoing in agencies." IC 4-2-7-2(b).

The SBOA has similar duties, including the authority to develop and publish "accounting and uniform compliance guidelines manuals" (Manuals) to provide guidance to public entities, IC 5-11-1-24(a), to perform audits, IC 5-11-1-9 and to make written findings regarding violations of its Manuals or "any law." IC 5-11-5-1(a).

Within these authorities, a preliminary review of this program was made. This review included, but was not limited to, reviewing the program objectives, meeting with the program staff, reviewing agency-completed spending plans,

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<sup>3</sup> See: <http://www.recovery.gov>.

reviewing monthly update reports submitted to the Indiana Office of Management and Budget (OMB) and assessing the program's risks.

From this preliminary review, we make the following findings and recommendations.

III

A

Findings

The program controls outlined in the NEA spending plan approved by the OMB or other related documentation are adequate to meet the respective federal ARRA and State OMB guidelines and requirements.

B

Recommendation

Accordingly, we offer no recommendations at this time, but advise IAC employees to continue to apprise themselves of ARRA requirements and developments.

Dated this 15<sup>th</sup> day of October, 2009.

APPROVED:



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David O. Thomas, Inspector General