

Internal Audit Department
NeighborWorks® America

Audit Review of Covid-19: Procurement Adaptation Review

Project Number: NW.PROC.COVID.2021

Audit Review of Covid-19: Procurement Adaptation Review

Table of Contents

Function Responsibility and Internal Control Assessment.....	3
Executive Summary of Observations, Recommendations and Management Responses	4
Risk Rating Legend.....	5
Background.....	6
Objectives	6
Scope.....	6
Methodology.....	6
General Observation	6
Conclusion	6

October 5, 2021

To: NeighborWorks America Audit Committee

Subject: **Audit Review of Covid-19 Procurement Adaptation Review**

Attached is our draft audit report for the Covid-19 Procurement Adaptation review. Please contact me with any questions you might have.

Thank you.

Frederick Udochi
Chief Audit Executive

Attachment

cc: M. Rodriguez
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**Function Responsibility and Internal Control Assessment
Audit Review of Covid-19: Procurement Adaptation Review**

Business Function Responsibility	Report Date	Period Covered
Procurement	October 6, 20221	July 2020 – July 2021
Assessment of Internal Control Structure		
Effectiveness and Efficiency of Operations		Not Applicable¹
Reliability of Financial Reporting		Not Applicable
Compliance with Applicable Laws and Regulations		Not Applicable

This report was reissued February 15, 2024 in accordance with a recommendation by the Government Accountability Office (GAO-23-105944, June 14, 2023).

¹ **Legend for Assessment of Internal Control Structure:** **1. Generally Effective:** The level and quality of the process is satisfactory. Some areas still need improvement. **2. Inadequate:** Level and quality of the process is insufficient for the processes or functions examined, and require improvement in several areas. **3. Significant Weakness:** Level and quality of internal controls for the processes and functions reviewed are very low. Significant internal control improvements need to be made.

Executive Summary of Observations, Recommendations and Management Responses

Summarized Observation Risk Rating	Management Agreement with Observation (Yes/ No)	Internal Audit Recommendation Summary	Accept IA Recommendation (Yes/ No)	Management's Response to IA Recommendation	Estimated Date of Implementation (Month/Year)	Internal Audit Comments on Management Response
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Risk Rating Legend

Risk Rating: High

A serious weakness which significantly impacts the Corporation from achieving its corporate objectives, financial results, statutory obligations or that may otherwise impair the Corporation's reputation.

Risk Rating: Moderate

A control weakness which could potentially undermine the effectiveness of the existing system of internal controls and/or operational efficiency, integrity of reporting and should therefore be addressed.

Risk Rating: Low

A weakness identified which does not seriously detract from the system of internal control and or operational effectiveness/efficiency, integrity of reporting but which should nonetheless be addressed by management.

Management Responses to The Audit Review of: Covid-19: Procurement Adaptation Review		
# Of Responses	Response	Recommendation #
N/A	Agreement with the recommendation(s)	N/A
N/A	Disagreement with the recommendation(s)	N/A

Background:

NeighborWorks America's procurement function is a critical business process that assists all Business Unit's with procuring goods and services. In the early stages of the pandemic the Corporation determined that there was need for an expedited process to deliver Covid-19 related goods or services to the Business Unit's. A streamlined procurement process was developed to facilitate a quicker procurement process so Business Units could receive the requested goods or services sooner than the established process.

Objectives:

- To obtain assurance that purchases were appropriately made in accordance with the Corporation's adapted/streamlined procedures during the pandemic.

Scope:

- Procurements that used the Simplified Covid-19 Procurement timeline/process between July 2020 – May 2021.

Methodology:

Internal Audit met with Procurement to gain an understanding of the Simplified Covid-19 Procurement timeline/process. This included the following:

- Differences to the established procurement process
- Requirements or forms to initiate the streamlined process
- Procurement Policy

General Observation:

Based on Internal Audit's review and verification there were no procurements that used the simplified procurement timeline; and no Business Units that requested the simplified procurement timeline. Therefore, no further audit work was performed as there was no population and/or samples to review.

Conclusion

We would like to take this opportunity to extend our thanks to the Procurement Department for its collaboration and support throughout this review.