

STATE OF WEST VIRGINIA

PERFORMANCE AUDIT
OF THE

DIVISION OF CULTURE AND HISTORY

Arts and Humanities Section Should Revise
Rating Sheets, Improve Record Keeping and
Amend the Appeals Process Regarding
Grant Awards

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Antonio E. Jones, Ph.D.
Director

February 9, 1997

The Honorable Edwin J. Bowman
State Senate
Building 1, Room 231-WW
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305

The Honorable Joe Martin
House of Delegates
Building 1, Room 213E
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305

Gentlemen:

Pursuant to the West Virginia Sunset Law, we are transmitting the Performance Audit of the Division of Culture and History, which will be reported to the Joint Committee on Government Operations on Sunday, February 9, 1997. The issues covered herein are "Arts and Humanities Section Should Revise Rating Sheets, Improve Record Keeping and Amend the Appeals Process Regarding Grant Awards."

Sincerely,

Antonio E. Jones

AEJ/wsc

Enclosure

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Executive Summary

This review addressed the entire Division of Culture and History as a whole. During the process of defining the scope of the audit, the focal points of the review became the Arts and Humanities Section, the Museums Section and the two Commissions associated with the Division. The Archives and History Commission was reviewed for compliance with recommendations from the 1995 Ernst and Young "Single Audit". The Commission was found to be in full compliance. No issue areas were found in the review of the Museums Section. The Commission on the Arts was included in the review of the Arts and Humanities Section, and the findings in this report relate as much to this Commission as to the Arts and Humanities Section. Overall performance of the Division was found to be satisfactory. The issue areas discussed in this report are relatively minor in nature.

Issue Area One: **The Arts and Humanities Section should revise its rating sheets used in the Commission on the Arts' grant awards and should maintain certain records permanently.**

The process the Division uses to select and administer grants generally follows agency policy. The procedure for selecting among eligible projects contains a degree of subjectivity. The agency uses rating sheets which contain criteria used to rate eligible projects. The current use of rating sheets does help offset some of the subjectivity, but the rating sheets do not completely reflect the stated criteria for evaluating the applications. Additionally, the Arts and Humanities Section of the Division does not retain these sheets in permanent files. This is contrary to the Freedom of Information Act (FOIA). The follow-up procedure allows the evaluation of the grantee's use of funds to be orally reported to the Director. These reports should always be in written form and retained on permanent record to comply with the FOIA.

Recommendation One: *The rating sheets used to assist in the grant recipient selection process should be changed to reflect the criteria announced to the applicant. These forms should be retained as permanent record.*

Recommendation Two: *The Arts and Humanities Section should make all site visit reports on a standard written form and keep them as permanent record.*

Recommendation Three: *The Arts and Humanities Section should periodically evaluate the inter-rater reliability of the rating process.*

Issue Area Two: **The appeals process does not ensure that money remains available if denied grant applicants decisions are reversed on appeal.**

The funds available for grant distribution are committed in June of each year and the contracts are finalized in July, while appeals cannot be heard until the September Commission meeting. By this time, there may be no uncommitted money left to fund a successful appeal for reconsideration. If there is not enough funds remaining, then the appeal process would not serve its desired purpose. If the original decision not to fund an applicant is reversed on appeal but

there is no funding available, the applicant is notified that funds **could possibly** become available through cancellation or returned money. If no money becomes available, the applicant will have to cancel the project, find other sources of funding or re-apply for support the next year. The current method of operation renders the appeals procedure moot.

Recommendation Four: *The Arts and Humanities Section and the Commission on the Arts should address this problem to devise a practical way of assuring that the appeals process offers a legitimate chance for obtaining funds.*

Review Objective, Scope and Methodology

This performance evaluation of the Division of Culture and History was conducted in accordance with the West Virginia "Sunset Law", Chapter 4, Article 10, Section 11 of the West Virginia Code of 1931, as amended. The primary function of the Division of Culture and History is to advance, foster and promote the creative and performing arts and crafts, to identify, register, acquire, mark and care for historical, prehistorical, archaeological and significant architectural sites, structures and objects, and to encourage such activities through economic assistance such as loans, subsidies, grants and other incentives. It is also to preserve documents and memorabilia of historical interest or importance.

The objective of this evaluation was to determine the level of efficiency and effectiveness of the Division in carrying out these duties. The scope of the evaluation included the Commission on the Arts, the Museums Section, and the Archives and History Commission. There were no findings with respect to the Museums Section. The evaluation of the Archives and History Commission consisted of assessing the Commission's compliance with certain findings from the 1995 Ernst and Young audit of West Virginia Federal Financial Assistance Programs pursuant to the Single Audit Act of 1984. These findings addressed problems with rating sheets not being consistent with the announced criteria, and by-laws concerning the Archives and History Commission's selection of Historic Preservation grant awards, and with qualifications of Commission members. These findings have been satisfactorily addressed by the Division.

The methodology of the evaluation included personal interviews with staff, examination of records, legal research into state and federal code and regulations, and observing planning meetings and other activities of the Division. A review was conducted on a sample of 20 grant recipients out of the 190 grants awarded in FY 1994. The sample was used to determine if the required documents were received by the Division and if appropriate records were kept.

This review followed the **Generally Accepted Government Auditing Standards (GAGAS)**.

Organization of the Division of Culture and History

The Division of Culture and History consists of five sections and two citizen commissions. They are as follows:

1. The Arts and Humanities Section is responsible for stimulating and fostering the development of the performing and creative arts and crafts in the state. The section may make awards, prizes or grants to individuals or public and private institutions that encourage this development.
2. The Archives and History Section is responsible for the preservation of documents and records having legal or historical value to the state. In addition, the section designates historical markers and monuments throughout the state, and publishes a historical journal.
3. The Museums Section is responsible for the preservation of historic objects and memorabilia, and for administering the state museum coordinated with other museums throughout the state. The section is also responsible for locating objects missing from the Capitol.
4. The Historic Preservation Section is responsible for the identification and preservation of historical and archeological sites, and for conducting or authorizing archeological studies on such sites. The section is also to maintain a registry of historical sites.
5. The Administrative Section provides centralized financial and administrative support to all areas of the Division's operations.
6. The Commission on the Arts, consisting of ex officio and appointed members, function in advisory capacities to the Arts and Humanities Section. The Commission has fifteen appointed members and the Director of the Arts and Humanities Section is an ex-officio non-voting member.
7. The Commission on Archives and History, consisting of ex officio and appointed members, functions in advisory capacity to the Archives and History Section, the Museums Section and the Historic Preservation Section. The Commission has thirteen appointed members with eight ex-officio members, two of which may vote.

The entire Division is under the direction of the Commissioner of the Division of Culture and History. The five sections are each administered by a director. Division employees are classified as civil service. The total appropriations from general revenue in FY 1996 was \$4,791,061, total federal money was \$2,997,280 and special revenue funds were \$1,338,086. The total funding for the year was \$9,126,427.

Issue Area One: **The Arts and Humanities Section should revise its rating sheets used in the Commission on the Arts' grant awards and should maintain certain records permanently.**

The Process of Awarding Grants

The Division of Culture and History has the duty to administer a variety of grants to private institutions, individuals and groups. Grants are awarded in the Arts and Humanities Section to assist organizations in providing access to fine arts related events for West Virginia citizens. For example, a grant may be awarded to help defray costs for a theatrical group or classical musicians to perform for students at a local school. Some symphony orchestral performances are assisted through grants. There are many categories of grant types. Appendix A includes two tables which describe each individual grant type. Appendix B contains a table which illustrates the distribution of grants by county for FY91 through FY95.

Table One illustrates the amount of grants awarded over the last five fiscal years.

Table One

Number of Grants and Amount Awarded by Fiscal Year					
1991	1992	1993	1994	1995	Total
171 Grants	168 Grants	168 Grants	190 Grants	162 Grants	859 Grants
\$1,293,234	\$1,285,735	\$1,228,554	\$1,305,974	\$1,143,803	\$6,257,300

* Source: Culture and History Annual Reports

The West Virginia Commission on the Arts (WVCA), the advisory body which works with the Arts and Humanities Section, is responsible for deciding to whom the grants will be awarded. The WVCA has a set of criteria to determine eligibility for assistance. Under this criteria, various programs are excluded, such as country, pop or rock performances, fund-raising activities programs, historical research and expenses related to space rental and fees for non-professional performers.

After making eligibility determinations, the selection of grant recipients is based on available funds and the merit of each eligible applicant. In addition to specific criteria for special grant programs, there is a set of general criteria for reviewing all applications. These criteria are as follows:

1. Artistic merit
2. Completeness and accuracy of the application
3. Potential for impact on the community or participants
4. Availability of programming to the public
5. Commitment of local funds

6. Applicant's ability to successfully complete the project
7. Equitable geographic distribution of Commission funds
8. Need

Overall, the entire process of grant administration is functioning adequately. The issues in the following sections are comparatively minor, and the recommendations which follow address these problems. Basically, the Arts and Humanities Section needs to improve record keeping by improving and retaining rating sheets and written site visit reports.

Sample of Grants

A sample of 20 grant files was taken from the 190 approved grants for FY 1994. These files were reviewed to determine if the proper documents were being obtained and included, if the proper steps before and after a grant were being taken and if the Arts and Humanities Section was conducting the necessary follow-up on grant recipients. The audit team was specifically looking for the following documents:

1. Rating sheets used in the selection and ranking process.
2. Final Reports required to be submitted by the grantee.
3. Follow-up reports to evaluate the grantee's program.
4. Independent audit reports required by the Single Audit Act.

Rating Sheets

The panel members use the rating sheets to rank applicants in an order reflecting the degree to which they meet the criteria. Applicants are numerically rated on criteria with a zero, one or two, and a final score is tallied. The sheets also allows the panelist to answer the question, "Should this project be funded?" These sheets are important because some of the criteria involved in the decision to award or deny a grant to an applicant are subjective in nature. These rating sheets can be a valuable tool because it not only provides a tangible decision-making apparatus, but it can also provide permanent record of the decision process. Two shortcomings were found concerning these sheets.

First, the rating sheets are being kept for only one year instead of becoming permanent record. They are not placed in the grant files because it is felt that sometimes the comments on the sheets are too frank to be relayed to the applicant. The applicant is provided with a summary of positive and negative comments. The audit team was able to assess the rating sheets by obtaining the 1996 sheets, which were still available.

The failure to retain the sheets permanently is contrary to the Freedom of Information Act (FOIA). The rating sheets constitute a portion of the tangible evidence surrounding the awarding of public funds. These rating sheets are therefore public record. Failure to retain these sheets in the permanent files of each grant is contrary to WV Code §29B-1-3(3) which states that these records should be made available for inspection and examination. The audit team could identify no information in the rating sheets which would meet the requirements for exemption from

disclosure (See Appendix C). Legislative legal staff has concurred that these records constitute public record and are not exempt from the FOIA. Therefore these records should be retained as permanent public record to conform to the Freedom of Information Act.

The second problem concerning the rating sheets was that they do not completely correspond to the stated criteria for grant programs that is included in the application packets. The applicant is provided a list of the criteria that the Commission is to evaluate, but the rating sheets do not reflect the same criteria. The following table illustrates the stated criteria as compared to the criteria on the rating sheets for the Artist in Residence Program.

Table Two

Artist in Residence Program	
Announced Criteria	Rating Sheet Criteria
1. Qualifications of the artist.	1. Same
2. Evidence of proper planning.	2. Same
3. Clearly stated goals and the project's ability to meet those goals.	3. Same
4. Realistic scheduling of the artist.	4. Same
5. Documentation of project support from participating groups.	
6. Evidence of adequate facilities and supplies.	5. Same
7. Proper identification of all participants.	
8. Submission of all required application materials.	
9. Evidence of the sponsor's ability to complete the project.	6. Same
10. Potential for impact on participants and/or the community.	
11. Project evaluation.	7. Residency evaluation strategy is described.
	8. Residency activities are consistent with goals.

As the table illustrates, the criteria received by applicants in application packets are not the same as the criteria the Commission used to rate each grant proposal. Of the eleven announced criteria, only seven are given a numerical rating on the rating sheet. The eighth criteria on the rating sheet is given numerical value but does not appear to be announced criteria. The four announced criteria which have no numerical rating category on the rating sheets are apparently being judged subjectively, if at all. This of course depends on whether or not the panelists are remembering to factor these criteria into their overall decision. It may be better to give all of the criteria a numerical value so that each is considered in the decision. The same is true for the Arts in Education Special Project Grant but to a lesser extent.

If there is a criteria item for which the Commission rates the application by assigning a numerical value, the applicants should be aware of this because it could place some applicants at a disadvantage in the selection process. The Artist in Residence Program has 11 criteria points announced to applicants yet only eight are numerically rated, two of which are not announced and three announced criteria are not rated numerically. If the Commission considered some criteria important enough to announce to applicants, then those criteria should be given some numerical rating in the selection process. This situation is similar to a finding regarding the Historic Preservation grants which was reported in the 1995 Single Audit by Ernst and Young. The Single Audit recommended that the rating sheets be changed to reflect the announced criteria.¹ PERD recommends that the ratings sheets should be altered to reflect the announced criteria.

Finally, the Division of Culture and History should consider periodically evaluating the inter-rating reliability of the rating process to assure that the panelist maintain consistency in their understanding of the criteria. Each panelist should interpret the definitions of each criteria in the same way. In this manner, a fairer and less subjective rating system would be possible.

Final Reports

After a grant has been awarded, the Arts and Humanities Section has several methods to determine if the funds were properly used. All grantees are required to submit a final report 30 days after the completion of their last project. Final reports are required on each individual project if an applicant has received grant funds for multiple projects. These reports are audited for financial correctness by the grant coordinator and the director. Staff audits them for content evaluation. Any discrepancies are addressed through requests for additional information or returned funds. Improper use of funds necessitates the return of all funds. Failure to comply with reporting requirements could lead to action by the attorney general to recover the funds. This has never occurred, however.

The files in the sample of grants all contained final reports. One contained an error which was noted by the Arts and Humanities staff and corrected by the grantee. It can be concluded that the final reports are being properly reviewed.

¹ *The announced criteria and rating sheets for Historic Preservation grants were changed so that they are identical.*

Follow-up reports

In addition to the final reports there are periodic visits by Arts and Humanities staff to a random sample of grantees. Program staff average 15 such visits a year.² At these visits, the staff member observes ongoing activities which are supported by the grant money. The site visit reports include observations about the project and the level of participation by those for whom the project is designed. Monthly reports by staff briefly outline the staff member's activities for the past month, including travel for site visits.

The audit team found no follow-up site visit reports in the sample files. The Arts and Humanities staff do not submit each report in writing. Currently they can be made orally to the Director. When done in writing they are not kept in the grant files, nor are they done on standardized forms. While PERD has determined that, generally, the Arts and Humanities Section is following up on grant awards as evidenced by written reports, the process should be changed so that all of the site visit reports be written on a standard form, and maintained in grant records. This should be done to comply with the Freedom of Information Act's demand for public record and to provide concrete evidence that the staff member conducting the site visit was satisfied or dissatisfied, as the case may be. Additionally, these records could be used when evaluating future applications from these grantees.

Independent Financial Audits

Federal regulations currently require any organization receiving a grant consisting of over \$25,000 in federal money to undergo an independent financial audit for the year in which the grant was awarded. The agency administering the grants is to receive a copy of the audit report. In the FY 94, the year which the sample cases were administered, six grants consisting of over \$25,000 in federal funds were awarded. For each of these grants, a financial audit report was provided. Two grants consisted of over \$25,000, but the federal funds portion was less than this amount. Therefore no audit was required.

Conclusion

As stated previously, the overall process of grant administration functions adequately. The minor issues raised by the sample can be rectified quickly and easily, and this should result in a better procedure for selection of grant awards and follow-up. No other deficiencies were detected in the sample of cases.

Recommendation One

The rating sheets used to assist in the grant recipient selection process should be changed to

² Each year the total number of grants awarded has been between 150 and 190. Fifteen visits would be 8 to 10 percent of all grants. This represents a good sample.

reflect the criteria announced to applicants. These forms should be retained as permanent record.

Recommendation Two

The Arts and Humanities Section should make all site visit reports on a standard written form, and keep them as permanent record.

Recommendation Three

The Arts and Humanities Section should periodically evaluate the inter-rater reliability of the rating process.

Issue Area Two: The appeals process does not ensure that money remains available if denied grant applicants decisions are reversed on appeal.

The WVCA approves grants at its June meetings, and applicants are sent letters informing them if their projects have been funded. A letter of explanation is included to those applicants who have been turned down. Soon thereafter, a contract is mailed to the successful applicants for return in two weeks. These letters and contracts are generally sent in the early part of July. A denied application may be appealed to the Commission on the Arts by submitting a written request for reconsideration to the Director of the Arts and Humanities Section. This appeal request must be received by the Director no later than September 1. The appeal will be considered only if the applicant can document specific examples which demonstrate that the application was misrepresented or improperly reviewed. The Director reviews the request and submits it to the Commission at its next quarterly meeting (September).

The concern regarding this procedure is that the funds available for grant distribution are decided in June, and the contracts are finalized in July, while appeals cannot be heard until the September Commission meeting. The question arises, would there be enough uncommitted money left to fund a successful appeal for reconsideration? If there is not enough funds remaining, then the appeal process would not serve its desired function.

The Arts and Humanities Section Director indicated that this could happen. If no funding remains available at the time of an appeal, the applicant is notified of this fact. Regardless of fund availability, the appeal will still be considered by the WVCA at the Fall meeting, but it could be a moot issue by that time. If the original decision not to fund an applicant is reversed on appeal, but there is no funding available, the applicant is notified that funds **could possibly** become available through cancellation or returned money. If this occurs in time to process the grant, the applicant will receive the funds. However, since this is an uncertain possibility, the likely scenario is that the applicant will have to reapply for the next fiscal year or will cancel the project or find other sources of funding.

This situation has not occurred to date. In reviewing the minutes of the Commission meetings, the audit team found that from 1993 to 1996, nine decisions against awarding grants were appealed by the applicants. Three of these appeals resulted in reversals. According to the Arts and Humanities Section, the funding was available for these programs to be funded. However, it still remains a possibility that the funds may not be available for an appeal.

There could be a number of different approaches to address this problem. Changing the sequence of events surrounding the selection process so that appeals are heard before the finalization of contracts is complete could be a possible solution. Withholding a certain percentage of available funds for the appeals process is another possibility. The Culture and History Division and the WVCA should study this issue for a feasible solution.

Recommendation Four

The Arts and Humanities Section and the Commission on the Arts should address this problem to devise a practical way of assuring that the appeals process offers a legitimate chance for obtaining funds.

Appendix A
Grant Types and Definitions

General Grant Programs				
	Purpose	Eligibility	Examples	Special Criteria
Touring Grants	Enables sponsors to pay for touring groups to perform locally.	Up to 50% of contract fees.	Theater Company, Dance Company, Orchestra.	Artists must have record of previous performances.
Performing Arts	Assistance for production costs.	Up to 50% of cost/expenses.	Music, Theater, Dance groups.	Juried competition, special consideration for new works.
Visual/Media Arts	Programming and exhibition cost assistance for museums, art galleries, etc.	50% fees/lodging 100% Exhibition costs.	Art Exhibitions.	Varies with project.
Major Institution Support	Financial assistance to large arts organizations.	Non profit, 5+ years in existence, \$500,000 in operating base.	Colleges, national service organizations.	Artistic excellence, community impact.
Planning and Development	Assists arts organizations in planning and developing programs.	Personnel and consultant costs.	50% of consultant fees, 50% staff administrator salary for two years.	Interns, Consultants Staff expansion at art organizations.

Arts in Education Grants			
	Mini-Grants	Artist Residencies	Special Programs
Purpose	Assists up to \$1000 in fees of programs for educational purposes.	Assists in presenting a series of programs by an artist to increase school/community awareness.	Supports a variety of projects that do not fall under other categories.
Eligible	50% contract fees and expenses.	50% Contract fees and supplies.	50% of eligible costs.
Examples	Schools contracting an arts performance.	Up to 8 month long contract by artist to conduct classes at a school.	Pilot programs Governor's Awards Workshops Conferences.
Special criteria	Schools or organizations that do not present a season of events. Artist must earn less than \$12,000/year.	Included in a special guide.	None cited.

Appendix B
Grants By County, FY91-95

County	1991	# of grants	# of grants	1992	# of grants	# of grants	1993	# of grants	1994	# of grants	1995	# of grants	Total Fund	Total #ben	\$ per Ben.	Total # grants
Adair	6730	1235	9467	5150	730	2	5461	2102	6510	2	7290	2	3310	13985	\$2.38	10
Adair	20485	3248	25377	9375	16406	4	12742	23916	9189	3	6912	3	7668	1135577	\$0.07	20
Adair	3745	2029	11253	11141	6350	2	1800	1767	3566	1	0	0	0	21913	\$1.25	6
Adair	1835	1639	4800	4575	4971	2	3936	5258	0	0	0	0	0	19264	\$1.07	9
Adair	140252	234982	13000	2833	732	2	750	855	0	0	0	0	0	6718	\$1.39	6
Adair	778	NA	147790	160825	286400	11	133255	163988	116501	12	125411	9	698623	1214488	\$0.58	50
Adair	280	275	3400	8950	1374	1	18364	10417	4166	5	3077	2	33008	14889	\$2.22	11
Adair	560	1000	0	625	1361	1	908	126	3555	0	0	0	8768	7754	\$1.13	6
Adair	11230	6662	0	250	1000	1	0	0	650	0	270	1	1400	2270	\$0.62	3
Adair	13650	1499	10888	13506	4242	3	16184	7674	18604	4	7860	4	70412	34596	\$2.04	16
Adair	2379	5644	21189	9889	1592	2	23189	6889	15639	3	1295	4	73567	12158	\$6.05	14
Adair	37320	12477	38187	3432	3517	1	3680	8859	2087	2	3088	4	15901	32025	\$0.50	8
Adair	1055	745	47624	47624	25334	4	65867	29743	59815	9	24405	8	248813	121631	\$2.05	33
Adair	640	1110	1550	500	1835	2	3100	5900	4748	2	2301	2	10953	12441	\$0.88	9
Adair	15611	4550	6560	6560	5005	2	6160	5865	5000	2	10000	1	18920	23136	\$0.82	7
Adair	38364	1884	11710	2900	2551	2	3135	2995	5383	2	2261	2	38739	16133	\$2.40	11
Adair	7275	7181	53084	54373	52829	7	43322	23516	25310	5	32616	3	214453	346521	\$0.62	29
Adair	51248	1789	8812	11092	7182	4	42890	5576	8011	4	11507	7	48080	124540	\$0.39	17
Adair	291180	16395	50349	50349	26067	8	56293	23516	64052	8	18482	7	264346	107918	\$2.45	33
Adair	3010	11474	282327	153828	58730	21	267672	58730	242942	27	262380	27	1338166	5299995	\$0.25	120
Adair	3900	8302	3470	3470	51665	2	4500	50128	1000	2	194	1	19935	196712	\$0.10	9
Adair	20889	9409	3240	1975	409	2	13650	5950	26499	3	8856	3	49264	24170	\$2.04	11
Adair	46428	22727	33912	17975	11149	3	9409	11856	2212	2	7500	1	73649	59768	\$1.23	12
Adair	8116	2503	7676	2229	6622	6	32606	25708	2328	9	4213	3	28755	10751	\$2.67	11
Adair	140	135	650	600	73	1	4675	4245	2288	2	1701	0	28755	10751	\$2.67	11
Adair	3250	4271	2900	3279	600	1	650	533	0	0	0	0	2090	1493	\$1.40	7
Adair	34065	1407	14520	8060	5230	1	1300	2382	8581	1	5119	0	24091	20281	\$1.19	7
Adair	19850	8481	28155	14323	1630	4	13290	6464	17235	5	8643	3	93433	38083	\$2.45	22
Adair	17975	3785	12400	20700	15722	3	25705	8135	12455	3	4578	2	106465	54927	\$1.94	13
Adair	18390	17863	3678	14990	2798	2	13160	2161	7788	2	1020	2	66313	13442	\$4.93	10
Adair	1340	1343	2325	32331	27882	7	15931	25215	34025	5	27296	9	143253	128666	\$1.11	35
Adair	7875	3925	6682	5052	4144	3	1990	3368	3612	2	2436	2	14219	12281	\$1.16	9
Adair	1720	2662	5175	2597	30700	2	14669	74562	10728	2	12951	0	49596	191438	\$0.26	8
Adair	161406	194923	152499	143427	32111	7	161987	322654	0	0	0	0	764533	1127499	\$0.68	28
Adair	7810	3523	1966	137932	83950	2	6560	5382	150709	7	382645	4	764533	1127499	\$0.68	28
Adair	1800	634	1223	1399	1300	2	5850	1321	382645	1	1321	1	23409	1321	\$1.77	8
Adair	3095	2133	3750	3750	13100	1	4425	1500	250	20	20	1	12187	19321	\$0.63	7
Adair	1240	686	22515	4323	4186	3	13870	4186	10000	4	3501	3	64000	17224	\$3.72	14
Adair	39048	23990	27301	250	140	1	150	150	5000	1	1000	0	7490	2872	\$2.61	5
Adair	69964	17616	40247	34398	21108	2	34893	55754	37931	2	21312	9	179406	209333	\$0.86	19
Adair	2124	5961	30450	17000	25720	4	45575	21931	26896	4	14434	3	247339	165336	\$1.50	26
Adair	650	878	400	500	1340	3	38749	44256	44024	7	44045	6	151467	171541	\$0.88	27
Adair	4130	120	2635	1155	1340	1	0	0	2488	0	1890	1	4338	4608	\$0.94	4
Adair	1390	440	1800	3520	962	1	7335	2466	6603	3	3390	2	24228	14241	\$0.70	11
Adair	1040	1737	2450	2975	1865	2	4500	221	200	2	200	0	9220	12493	\$0.74	7
Adair	15520	3756	6421	23200	5375	2	21999	13107	0	0	0	0	6615	4722	\$1.40	6
Adair	400	328	400	3100	500	1	0	0	5968	4	5968	2	94412	31910	\$2.96	13
Adair	15749	4414	8802	8259	1065	1	19061	3338	3445	3	3445	3	3900	1060	\$3.68	3
Adair	4115	5815	1810	1810	3472	1	1620	1828	13253	3	3445	3	65124	14758	\$4.41	12
Adair	390	590	550	550	650	1	580	580	0	0	0	0	8455	12778	\$0.66	4
Adair	140	420	0	0	0	0	2237	1676	1397	1	1700	1	3977	4997	\$0.80	5
Adair	107005	81723	89113	39507	193945	8	103181	40987	2488	0	2488	0	3678	8814	\$0.66	4
Adair	2110	1216	450	730	514	7	103181	40987	82779	9	73175	8	468615	429337	\$1.09	40
Adair	1393234	2485728	1285735	3643480	2535948	168	1305974	1681713	1143803	190	1143803	162	6257300	11706234	\$0.53	859

Appendix C
Examples of Rating Sheets

Visual Arts and Crafts Fellowships
August 5, 1996

Second Round

Application No. _____

Applicant Name: _____ Genre: _____

Panelist Notes:

Please circle the numerical ranking that best reflects the artists body of work.

Low

High

1

2

3

4

5

1996 AIE SPECIAL PROJECT APPLICATION RATING SHEET

Applicant Name _____ Project Number _____

Panelist Initials _____

Based on the information provided in the application please rate each of the following according to the listed numeric values.

YES = 2 SOMEWHAT = 1 NO = 0

RATING

1 - The desired results of the project are identified..... _____

2 - Project activities are identified and support the desired results..... _____

3 - Relation to the school curriculum is described..... _____

4 - Impact on students is described..... _____

5 - Planning with educators is evident..... _____

6 - Artists/Outside professionals involved are qualified..... _____

7 - Budget is adequate and understandable..... _____

8 - The project description is understandable..... _____

9 - Appropriate evaluation strategy is described..... _____

10 - Application included all required materials..... _____

(confirm at meeting)

TOTAL _____ / 20

Do you feel this project should receive funding? YES ___ NO ___

What do you like most about this proposal?

What do you like least about this proposal?

Please share constructive comments or suggestions for the applicant on reverse side.

ARTIST IN RESIDENCE APPLICATION RATING SHEET

Applicant Name: _____ Project Number: _____

Panelist Initial: _____

Based on the information provided in the application please rate each of the following criteria according to the values listed below.

YES = 2, SOMEWHAT = 1, NO = 0

RATING

The artist is qualified for the residency. _____

Proper planning is evident..... _____

Goals of the residency are clear..... _____

Residency activities are consistent with goals..... _____

The schedule for the artist is realistic..... _____

Proper space and supplies/materials are described and being provided to the artist..... _____

Ability of the applicant to successfully administrate and complete the project is evident..... _____

Residency evaluation strategy is described..... _____

TOTAL _____ / 16

Do you feel this residency should be funded? YES__ NO__

What do you most like about this proposal?

What do you least like about this proposal?

Please share any other constructive comments or recommendations you have concerning this proposal or this panel process.

Appendix D
Agency's Response



WEST VIRGINIA DIVISION OF
CULTURE AND HISTORY

Memorandum

To: Office of Legislative Auditors

From: William M. Drennen, Commissioner
WV Division of Culture and History

Re: Response to Performance Audit, January 1997

Date: January 27, 1997

We appreciate the courteous and efficient manner in which the Performance Audit of the Division of Culture and History was conducted. In general we concur with the findings.

Please include our specific responses to your findings in your final report.

Issue Area One: The Arts and Humanities Section should revise its rating sheets used in the WV Commission on the Arts' grant awards and should maintain certain records permanently.

Recommendation One: Rating sheets used to assist the grant recipient selection process should be changed to reflect the criteria announced to the applicant. These forms should be retained as a permanent record.

RESPONSE: The rating sheets are hand written comments sheets by the citizen advisory panels that are a tool to assist in the review of grant applications according to the guidelines. These sheets are collected by staff and a compilation of the comments (for successful and unsuccessful applicants) is sent to the applicant after the Commission has made final approval of all recommendations. Currently, the staff member in charge of the specific program maintains a file with the comment sheets in them, should an applicant request additional information or have questions. These files are maintained for one year.

At the request of the Performance Audit Team, to fully comply with FOIA, the rating sheets will be maintained in the central grant file along with all correspondence related to the grant application.

The rating system and grant criteria are re-evaluated every year by constituents, staff and the advisory panels after the grants process is complete. Adjustments to make the process more objective in distributing the available funds according to the guidelines are made after this annual re-evaluation. Rating sheets are updated each year to match the guidelines. We will make sure

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that all criteria of the guidelines correlate with the rating sheets. We also make sure that all the review panelists have a common understanding of the guidelines and the rating criteria, so that applications will be judged from a standard set of criteria.

We would like to note that under all grant categories, all of the applications submitted are reviewed by staff for completeness prior to distribution to the review panel. This review for completeness ensures that all basic requirements have been met to move on to a review panel. At the beginning of each panel session the citizen advisory panel members are notified if all the basic criteria have been met for the application to proceed to the panel. Therefore, many of these basic criteria have heretofore not been listed on their rating sheet. Basic criteria have included: submission of all required materials, typed application, proper signatures, identification of all participants, documentation of partnerships and/or matching funds, impact on the community, population served, etc.

Panel reviews are generally conducted as follows: Round 1: All applications are reviewed and ranked in or out of the process based on the criteria on the ranking sheet and in the guidelines. Round 2: The panelists are asked to rank the remaining applications again after brief discussion and examination of supplementary material (if any). The rating sheets that are used have a numerical ranking. Once all applications are reviewed they are then ranked by their score. Round 3: Generally, the advisory citizen panel begins with the top ranked request and endeavors to fully fund each project up to a point where the funds are depleted in that particular category. In the event that there are applications that are ranked the same, the panel will conduct a discussion, re-examine the budgets of each project and determined what can be awarded or cut from the budget and still allow the project to be conducted in its original form, where possible. The panels' recommendations are sent to the WV Commission on the Arts for final approval.

Recommendation 2: The Arts and Humanities Section should make all site visit reports on a standard written form and keep them as a permanent record.

RESPONSE: The West Virginia Commission on the Arts staff is seven in number, two are grants coordinators and one is an administrative assistant. We currently have three program staff plus the director that maintain contact and do site visits for the entire state. Program staff average about 15 site visits annually. Site visit reports are made either orally or in written form to the director and are noted in our monthly reports that are submitted to the Commissioner of Culture and History.

The sample of applications reviewed by the Performance Audit team did not contain site reports due to the fact that some program staff were maintaining standard written forms and some were not. The Arts staff will return to use the standardized form for each site visit and maintain them in the grant files. A copy of the sample form used is attached.

Recommendation 3: The Arts and Humanities Section should periodically evaluate the interrater reliability of the rating process.

RESPONSE: The guidelines and criteria for ranking quality applications and projects are reviewed after each grant cycle for completeness and accuracy by constituents, staff, advisory

panels and the Commission. The recommendations from these review groups are incorporated into the review process and the rating sheets that assist in the review. We will continue to evaluate these to verify consistency after each grant cycle for accuracy.

Issue Area Two: The appeals process does not ensure that money remains available if denied grant applicants decisions are reversed on appeal.

Recommendation 4: The Arts and Humanities Section and the Commission on the Arts should address this problem to devise a practical way of assuring that the appeals process offers a legitimate chance for obtaining funds.

The current appeals process of the WVCA is such that the applicant must submit a request to the Director by September 1 prior to the WVCA September Commission meeting with any additional materials. Appeals must be for the current project that was rejected. Applicants cannot appeal for a new request or change the current project. The letter is reviewed by the director. The applicant receives notification of the receipt of the appeal letter and the date that it will be reviewed again by the Commission. At the time of the receipt of the appeal request, if there is no funding available in that particular program for the grant year, the applicant is notified of that fact.

Regardless of the availability of funding at the time of the appeal, the applicant's appeal request is taken to the WVCA. If the WVCA reviews the request and overrules their original decision, the applicant is notified of the grant award amount and the processing of the grant begins. If there is no funding available and the WVCA overrules their original decision, they rule that the staff notify the applicant that if funds become available through cancellation or returned monies by a certain date, that they will be processed for the grant. Most of the time applicants would rather not wait to determine if funds do become available and instead reapply for the project in the next fiscal year, cancel the program or do the project without WVCA funds.

The WVCA and the staff will work together to develop a strategy to maintain a balance of funds within the current grants budget to address application appeals as needed. A possible solution might be to set aside a certain percentage of funds to be awarded as additional grants at the September WVCA meeting if there are no successful appeals.

